

THE JAMES IRVINE FOUNDATION

EXPANDING

OPPORTUNITY

FOR THE PEOPLE

OF CALIFORNIA

ANNUAL REPORT FOR 2006

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The mission of The James Irvine Foundation is to expand opportunity for the people of California to participate in a vibrant, successful, and inclusive society.

In pursuit of this mission, the Foundation is guided by the following goals: **advance** the educational and economic prospects of low-income Californians to create and share in the state's prosperity; **engage** a broad cross section of Californians in the civic and cultural life of their communities and the state; **enhance** mutual understanding and communication among diverse racial, ethnic, and socioeconomic groups; and **enrich** the state's intellectual and creative environment.

FROM THE PRESIDENT AND CHIEF EXECUTIVE OFFICER

Foundations play a vital role in the social sector by seeking opportunities to foster innovation and support new ideas. Done in the best way, foundations demonstrate a capacity to remain flexible, to stay attuned to a shifting external environment, and to refine their approaches accordingly. At its worst, however, this same adaptability can come across as fickle and arbitrary, as an inability to focus. It can send confusing and mixed signals to a foundation's partners. Striking the right balance is both an art and a necessity.



James E. Canales
President and
Chief Executive Officer

This subject is particularly relevant to The James Irvine Foundation at this moment in our evolution. It has been just four years since Irvine adopted its current strategic directions. In 2003, we narrowed our focus from six core programs to three, out of a belief that Irvine could achieve greater impact for the people of California by concentrating its limited resources. Our resulting programs in Youth, Arts, and California Perspectives are ambitious in scope, and they require us to take a long-term view. At the same time, California continues to change, and we cannot ignore the environment in which we and our partners work.

We have sought to strike the right balance by remaining focused on our core goals while continuing to refine the specific priorities and strategies employed toward those goals. This

allows us to adapt as the circumstances around us change, as we learn more about what works and what is less successful, and as we engage more deeply with our various partners.

In 2006, Irvine took some important steps toward achieving our long-term goals, and we describe the highlights in the pages that follow. But we also recognize that much of our work remains in its early stages. In order for us to make sustained and substantive progress, it is vital that Irvine demonstrate staying power and resist the temptation to seek out the “new, new thing,” while also remaining nimble. Therein lies one of the challenges and tensions of philanthropic work.

We have sought to strike the right balance by remaining focused on our core goals while continuing to refine the specific priorities and strategies employed toward those goals.

Addressing this tension creatively requires both the understanding and support of the Board of Directors, who are ultimately the stewards of the Foundation, and we are fortunate at Irvine to have a board that embraces the approach I describe above. In that context, 2006 marked an important transition for Irvine with the retirement from our board of Patricia Salas Pineda, a practicing attorney and vice president of Toyota Motor of North America. Pat served with distinction on the Foundation’s board for a full term of 12 years, including service as the board’s Vice Chair and as Chair of our Committee on the Board, responsible for governance and nominations. Pat brought a willingness to ask the difficult question, to push hard for clarity, to encourage us to take risks, and to drive our discussions constructively and helpfully to a clear conclusion, always keeping her eye on our mission of service. In doing this, Pat represented the very best of engaged stewardship and responsible oversight of our Foundation’s obligation to serve the people of California. We will miss her very much.

It is vital that Irvine demonstrate staying power and resist the temptation to seek out the “new, new thing,” while also remaining flexible.

As I write this, we are marking the 70th anniversary of The James Irvine Foundation. That fact reminds us of the importance of consistency and staying power as an institution. I am confident that the past several years have established a solid groundwork for the Foundation’s continued contributions to expand opportunity for the people of California, but there is much work ahead. I am persuaded that our ultimate success as an institution will depend on our capacity to remain focused on a core set of goals, to deepen and extend our early work, to learn and refine as we go, and to carry out all of our work with intelligence, graciousness, and a healthy dose of humility.

Sincerely,

A handwritten signature in black ink, appearing to read "James E. Canales". The signature is fluid and cursive, with a large initial "J" and "C".

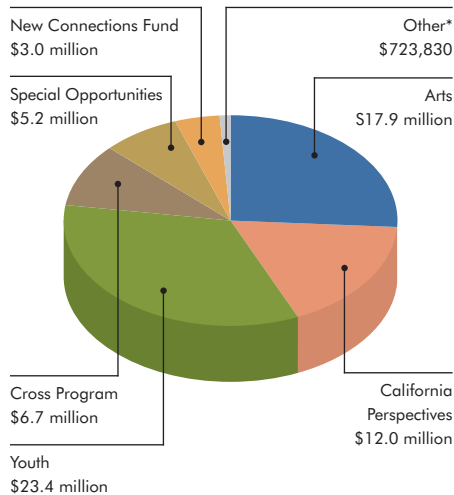
James E. Canales
President and Chief Executive Officer
July 2007

THE JAMES IRVINE FOUNDATION 2006 GRANTS

In 2006, the Foundation approved 456 grants, totaling \$68.9 million. That is the third largest amount in Irvine's history, just shy of our grantmaking peak of \$71.5 million in 2001.

2006 GRANTS ALLOCATION

Foundation Total \$68.9 million



*Includes memberships, sponsorships and discretionary grants.

On the pages that follow, we present a detailed list of grants approved in 2006, in four sections:

- Grants in our core program areas: Arts, California Perspectives, and Youth
- Cross-Program grants that relate to the goals of two or more programs or to the Foundation's cross-cutting principles
- Grants in our New Connections Fund, a pilot program to fund unsolicited grant applications on a competitive basis
- Grants to intermediary organizations that regrant Irvine dollars to other nonprofit organizations in their local communities

For current information on our grantmaking programs, priorities, and funding guidelines, please visit our Web site, www.irvine.org.

GRANTSEEKER GUIDELINES

The James Irvine Foundation makes grants to a wide variety of nonprofit organizations, most of which receive funding through our three core grantmaking programs: Arts, California Perspectives, and Youth.

The Foundation primarily makes grants to organizations that are tax-exempt under section 501(c)(3) of the Internal Revenue Code. In addition, by provision of Mr. Irvine's Indenture of Trust, which established the Foundation in 1937, we are restricted to making grants to programs and organizations that directly benefit the people of California. Mr. Irvine also stipulated that grants from the Foundation "shall be used for such charities as do not enjoy substantial support through taxation." Based on this restriction, we refrain from making grants to public agencies or organizations that receive more than 50 percent of their revenue from government sources.

For current information about our grantmaking guidelines, please visit our Web site at www.irvine.org.

Highlights of 2006

- A major research paper, "Critical Issues Facing the Arts in California," stimulated significant discussion among funders, policymakers, and nonprofit organizations across the state. In 2007, the Foundation will support various efforts to address the findings.
- In June, we launched the Artistic Innovation Fund to encourage innovation among California's premier arts and cultural institutions, located in the major metropolitan areas of San Francisco, Los Angeles, and San Diego. The first set of grants was awarded to seven organizations in 2006, with a second round of grants planned for 2007.
- In October, we launched the Arts Regional Initiative to strengthen leading arts organizations located outside the state's major metropolitan areas. The initiative started in Riverside, San Bernardino, Orange, and San Diego counties, and will expand to the Central Valley in 2007.

2006

ARTS

GOALS AND PRIORITIES

The goal of the Arts program is to promote a vibrant and inclusive artistic and cultural environment in California. Our program promotes a healthy arts environment, which depends on the existence of strong arts organizations, a productive artistic and creative community, and the engagement of a broad cross section of Californians.

Our Arts program has three priorities:

- **Artistic Creativity:** Promoting the creation and reinterpretation of art, infusing the arts field with new ideas and methods of creative expression
- **Cultural Participation:** Supporting the active engagement of Californians from all socioeconomic and ethnic backgrounds with quality art from a variety of sources and cultures
- **Arts Leadership:** Fostering an environment in which arts and culture flourish in California through support to the state's premier cultural institutions and to leading arts organizations in the nonmetropolitan areas of California

In 2006, the Arts program awarded 62 grants totaling \$17.9 million.

Artistic Creativity

Promoting the creation and reinterpretation of art, infusing the arts field with new ideas and methods of creative expression

AMERICAN COMPOSERS FORUM OF SAN FRANCISCO

SAN FRANCISCO

For the statewide expansion of the Subito regranting program and for professional and artistic development programs for California composers.

\$250,000 / 24 months



THE AMERICAN CONSERVATORY THEATER FOUNDATION

SAN FRANCISCO

To produce the world premiere of *After the War*, and to expand the core acting company.

\$400,000 / 24 months

CENTER FOR CULTURAL INNOVATION

LOS ANGELES

For a statewide initiative providing regranting, training, and project incubation to working artists in California.

\$1,000,000 / 24 months

DANCE USA

WASHINGTON, D.C.

For the Irvine Dance in California Journal, a publication to document and commemorate nine years of Irvine Dance Fellowships to individual dance artists in California.

\$12,000 / 6 months

DANCE USA

WASHINGTON, D.C.

For research and planning of program and technology supports to strengthen satellite office operations, professional development, information exchange, and regional networking among dance professionals in California.

\$25,000 / 12 months

EAST-WEST PLAYERS

LOS ANGELES

To expand the New Works Development Program serving Asian and Pacific Islander artists and playwrights in Los Angeles.

\$300,000 / 36 months

FOUNDATION-ADMINISTERED PROJECT

SAN FRANCISCO

To support research on the work life and creative development of working artists in Los Angeles and San Francisco Bay Area communities, with related dissemination activities.

\$20,144 / 7 months

LA PEÑA CULTURAL CENTER

BERKELEY

For the ImaginARTE program, supporting individual artists to create new work through commissioning projects, artist residencies, and presenting partnerships.

\$200,000 / 36 months

MARGARET JENKINS DANCE STUDIO

SAN FRANCISCO

For the statewide expansion of a mentorship program and leadership initiative serving California's established and emerging choreographers.

\$300,000 / 36 months

SOUTHWEST CHAMBER MUSIC SOCIETY

PASADENA

To support the creation and development of new artistic work through commissions, recording, and performances.

\$200,000 / 36 months

ZEROONE: THE ART AND TECHNOLOGY NETWORK

SAN JOSE

For the presentation of the ZeroOne San Jose Festival, a multidisciplinary festival featuring national and international artists exploring the intersection of art and technology.

\$50,000 / 12 months

Cultural Participation

Supporting the active engagement of Californians from all socioeconomic and ethnic backgrounds with quality art from a variety of sources and cultures

CALIFORNIA EXHIBITION RESOURCES ALLIANCE

OAKLAND

For the Contemporary Art in California Communities Initiative, to increase access to contemporary California art and artists for underserved and rural communities.

\$235,000 / 36 months

DELL'ARTE

BLUE LAKE

For the Los Puentes Project, a multifaceted theater initiative designed to increase cultural participation opportunities in the rural North Coast region of California.

\$200,000 / 27 months

HUMBOLDT AREA FOUNDATION

BAYSIDE

For Indigenous Inspiration: Art Across Generations, a regranting initiative of the Native Cultures Fund, to support intergenerational training in California Native American arts and cultural traditions.

\$300,000 / 36 months

KQED

SAN FRANCISCO

To support SPARK, a weekly television series, educational outreach program, and Web site showcasing artists and arts organizations in the areas of Northern California and the Central Coast.

\$450,000 / 36 months

LIBRARY FOUNDATION OF LOS ANGELES

LOS ANGELES

To support the expansion of the public outreach and exhibition program at the Central Library, strengthening the organization's role as a multifaceted cultural resource center in Los Angeles.

\$400,000 / 36 months

LOS ANGELES COUNTY MUSEUM OF NATURAL HISTORY FOUNDATION

LOS ANGELES

To transform educational programming based on partnerships with educators and arts organizations.

\$400,000 / 36 months

NINTH STREET MEDIA CONSORTIUM

SAN FRANCISCO

To cultivate and develop audiences for independent film, with a specific focus on youth and culturally specific communities.

\$150,000 / 24 months

PALM SPRINGS ART MUSEUM

PALM SPRINGS

For a multitiered audience development project aimed at increasing participation in museum programming among college-age and working adults, teens, and Latino audiences.

\$400,000 / 36 months

SAN FRANCISCO JAZZ ORGANIZATION

SAN FRANCISCO

To support the SFJAZZ Collective and related audience development efforts.

\$350,000 / 36 months

MUSEUM OF ART ASSOCIATION

SAN JOSE

For an audience development initiative to expand participation and deepen audience engagement through exhibition-centered activities that demonstrate the significance and relevance of contemporary California art.

\$375,000 / 36 months

SHAKESPEARE FESTIVAL LA

LOS ANGELES

For Will Power to Youth, a youth development and education enrichment program for at-risk youth in Los Angeles through direct participation in the theatrical process.

\$150,000 / 24 months

WOLFBROWN

FAIRFIELD, CONN.

To conduct a study of patterns of cultural participation, including informal arts participation, in the Inland Empire and San Joaquin Valley.

\$300,000 / 12 months

Arts Leadership

Fostering an environment in which arts and culture flourish in California through support of the state's premier cultural institutions and of leading arts organizations in the nonmetropolitan areas of California

ARTISTIC INNOVATION FUND

Supporting the state's premier cultural institutions as they advance their artistic vision and deliver innovative, aspirational programming

ARMAND HAMMER MUSEUM OF ART AND CULTURAL CENTER

LOS ANGELES

To support artistic, programmatic, and institutional changes that incorporate the perspectives of contemporary artists.

\$700,000 / 36 months

EMCARTS

NEW YORK, N.Y.

To design and plan an evaluation and organizational learning process for the Artistic Innovation Fund.

\$135,000 / 5 months

JAPANESE AMERICAN NATIONAL MUSEUM

LOS ANGELES

To support a model program for how culturally specific arts organizations can adapt to increasingly multiethnic audiences.

\$800,000 / 36 months

MUSEUM ASSOCIATES, LOS ANGELES COUNTY MUSEUM OF ART

LOS ANGELES

To create a multimedia museum experience that extends the visitor's experience beyond the museum walls.

\$900,000 / 36 months

OAKLAND MUSEUM OF CALIFORNIA FOUNDATION

OAKLAND

To reinstall and enhance the Gallery of California Art and art programming.

\$700,000 / 36 months

SAN DIEGO OPERA ASSOCIATION

SAN DIEGO

To engage new audiences and deepen the participation of traditional opera attendees through relationship marketing and enhanced theatricality.

\$600,000 / 36 months



SAN FRANCISCO SYMPHONY

SAN FRANCISCO

To use innovative cultural participation strategies to engage new audiences in the southern San Francisco Peninsula.

\$800,000 / 36 months

THEATRE AND ARTS FOUNDATION OF SAN DIEGO COUNTY

LA JOLLA

To develop a production and audience development model for new theater work.

\$700,000 / 36 months

ARTS REGIONAL INITIATIVE

Enabling leading arts organizations outside of the major metropolitan areas of Los Angeles, San Francisco, and San Diego to build their capacity to improve their artistic products, financial stability, management, governance, and growth

CHARLES W. BOWERS MUSEUM

SANTA ANA

To support organizational capacity-building and sustainability through a strategic planning process leading to organizational and audience development efforts.

\$400,000 / 36 months

THE LAGUNA PLAYHOUSE

LAGUNA BEACH

To support expanded repertoire and a strategic communications program to achieve cultural participation goals.

\$400,000 / 48 months

OCEANSIDE MUSEUM OF ART

OCEANSIDE

To initiate a new strategic plan and strengthen the organization's outreach to its regional audience.

\$350,000 / 48 months

OPERA PACIFIC

SANTA ANA

To strengthen leadership, planning, and cultural participation to build a sustainable organization.

\$400,000 / 48 months

ORANGE COUNTY MUSEUM OF ART

NEWPORT BEACH

To create a new strategic plan, strengthen staff and board leadership, and develop audiences.

\$400,000 / 36 months

RAMONA PAGEANT ASSOCIATION

HEMET

To develop a strategic plan, increase board leadership, and expand audiences.

\$200,000 / 36 months

**REDLANDS COMMUNITY
MUSIC ASSOCIATION**

REDLANDS

To increase sustainability by increasing revenue, and strengthening operations and communications.

\$300,000 / 48 months

REDLANDS SYMPHONY ASSOCIATION

REDLANDS

To increase organizational capacity and expand outreach and programs to diversify audiences.

\$300,000 / 36 months

RIVERSIDE ART MUSEUM

RIVERSIDE

To develop a strategic plan and new programs to raise the visibility of the museum.

\$300,000 / 36 months

**RIVERSIDE COUNTY
PHILHARMONIC ASSOCIATION**

RIVERSIDE

To support strategic planning, develop new marketing and programmatic strategies, and build board leadership.

\$300,000 / 48 months

SAINT JOSEPH BALLET COMPANY

SANTA ANA

To support capacity-building and resource and technology development.

\$350,000 / 36 months

**SAN BERNARDINO
SYMPHONY ASSOCIATION**

SAN BERNARDINO

To develop and implement a capacity-building plan for future stability and success.

\$350,000 / 36 months

TCC GROUP

NEW YORK, N.Y.

To conduct an evaluation of the Arts Regional Initiative.

\$90,000 / 18 months

TCC GROUP

NEW YORK, N.Y.

For regranting, assessment, and capacity-building activities for midsize arts organizations in Riverside, San Bernardino, Orange, and San Diego counties.

\$165,000 / 16 months

Special Projects

AEA CONSULTING

NEW YORK, N.Y.

To conduct an exploratory assessment of key issues and potential strategies to finance and sustain a vibrant cultural sector in California.

\$25,000 / 6 months

ARTS COUNCIL SILICON VALLEY

SAN JOSE

To promote the future viability of the San Jose Repertory Theatre through a comprehensive organizational restructuring.

\$50,000 / 13 months

**ASIAN ART MUSEUM
FOUNDATION OF SAN FRANCISCO**

SAN FRANCISCO

For an audience research project to inform a multiyear strategic planning effort.

\$50,000 / 6 months

THE BAY AREA VIDEO COALITION

SAN FRANCISCO

To support an executive transition and strategic planning.

\$35,000 / 12 months

CENTER FOR CULTURAL INNOVATION

LOS ANGELES

For the study of a possible strategic alliance between the Center for Cultural Innovation and Leveraging Investments in Creativity.

\$50,000 / 6 months

EAST-WEST PLAYERS

LOS ANGELES

To support a strategic and facilities planning process.

\$26,000 / 6 months

FOUNDATION-ADMINISTERED PROJECT

SAN FRANCISCO

To support financial analysis and related technical assistance for nonprofit arts organizations as a precautionary measure against fiscal crisis.

\$30,000 / 12 months



FOUNDATION-ADMINISTERED PROJECT

SAN FRANCISCO

To support research, analysis, and convening activities related to the future of the arts and culture sector in California.

\$125,000 / 7 months

HEYDAY INSTITUTE

BERKELEY

To support a strategic and business planning process to promote organizational sustainability and financial health.

\$35,000 / 6 months

OAKLAND BALLET ASSOCIATION

OAKLAND

To support the dissolution of assets and closure of operations.

\$15,000 / 6 months

SAN DIEGO SYMPHONY ORCHESTRA ASSOCIATION

SAN DIEGO

To support information technology enhancements to improve organizational capacity.

\$450,000 / 24 months

SAN FRANCISCO CHANTICLEER

SAN FRANCISCO

To assess the feasibility of a major campaign and other fund development strategies to enhance the organization's access to working capital funds and fiscal stability.

\$25,000 / 6 months

SAN FRANCISCO OPERA ASSOCIATION

SAN FRANCISCO

To support repertoire-broadening collaborations with Bay Area theater organizations designed to reach new audiences in new venues.

\$600,000 / 24 months

SANTA MONICA MUSEUM OF ART

SANTA MONICA

For a long-range strategic planning process and related organizational development efforts.

\$100,000 / 18 months

THE RUTH & SHERMAN LEE INSTITUTE FOR JAPANESE ART AT THE CLARK CENTER

HANFORD

For a long-range strategic planning process and related organizational development efforts.

\$55,000 / 7 months

THEATREWORKS

PALO ALTO

For board assessment and development.

\$25,000 / 7 months

COMMUNITIES

ADVANCING THE ARTS

To build new sustainable funding streams for the arts in California through community foundations

THE SAN FRANCISCO FOUNDATION

SAN FRANCISCO

For a regranting and donor-development initiative among the San Francisco, East Bay, and Marin community foundations to increase arts-related philanthropy in the San Francisco Bay Area.

\$125,000 / 14 months

62 GRANTS TOTALING \$17,928,144

Highlights of 2006

- In early 2006, we launched our California Votes Initiative, which supports nonpartisan voter education and outreach among infrequent voters in the San Joaquin Valley and the Southern California counties of Los Angeles, Orange, Riverside and San Bernardino.
- In July, we announced the inaugural recipients of The James Irvine Foundation Leadership Awards, which annually recognize four to six Californians who are advancing innovative and effective solutions to significant issues for the state's future.
- With funding from Irvine, a series of well-timed public surveys by the Public Policy Institute of California helped inform policymakers and the public about Californians' opinions on key issues for the state during an election year.

CALIFORNIA PERSPECTIVES

GOALS AND PRIORITIES

The goal of the California Perspectives program is to improve decision making on significant state issues by informing public understanding, promoting broader civic participation, and encouraging more effective state governance.

Our California Perspectives program has four priorities:

- **Infusing New Ideas and Perspectives:** Improving the responsiveness and effectiveness of state and local governments through the development and dissemination of promising governance reforms
- **Informing Californians:** Disseminating information and analyses about significant state issues and highlighting solutions to important public concerns
- **Mobilizing Californians:** Fostering dialogues between underrepresented communities and public officials on issues of concern and encouraging higher voter participation
- **The James Irvine Foundation Leadership Awards:** Recognizing California leaders who are advancing innovative and effective solutions to significant state issues

In 2006, the California Perspectives program awarded 47 grants totaling \$12.0 million.

2006

Infusing New Ideas and Perspectives

Improving the responsiveness and effectiveness of state and local governments through the development and dissemination of promising governance reform

CENTER FOR GOVERNMENTAL STUDIES LOS ANGELES

To develop a campaign to improve the performance, transparency, representativeness, and accountability of state government.

\$77,000 / 4 months



CENTER FOR GOVERNMENTAL STUDIES LOS ANGELES

To develop and promote nonpartisan governance reforms on redistricting, the ballot initiative process, and the campaign finance system.

\$500,000 / 24 months

COMMON CAUSE EDUCATION FUND LOS ANGELES

To host two regional conferences for local public officials and community leaders about campaign finance reform issues.

\$50,000 / 8 months

COMMON CAUSE EDUCATION FUND LOS ANGELES

To develop and advance ideas for a redistricting process that maximizes fair representation for Californians.

\$100,000 / 12 months

INSTITUTE FOR LOCAL GOVERNMENT SACRAMENTO

To provide information and assistance to local governments so as to promote more inclusive governing processes.

\$450,000 / 36 months

REGENTS OF THE UNIVERSITY OF CALIFORNIA OAKLAND

For the Institute of Governmental Studies to produce and disseminate research on the effects of “nesting” state assembly and senate seats through redistricting.

\$80,000 / 6 months

REGENTS OF THE UNIVERSITY OF CALIFORNIA OAKLAND

To conduct a study examining group disparities in civic and political participation in Riverside and San Bernardino counties.

\$170,000 / 24 months

RESOURCES LEGACY FUND SACRAMENTO

To complete a feasibility plan, with PolicyLink, for a multiyear campaign to achieve a set of state fiscal and governance reforms.

\$25,000 / 2 months

Informing Californians

Disseminating information and analyses about significant state issues and highlighting solutions to important public concerns

CALIFORNIA BUDGET PROJECT SACRAMENTO

To inform budget and policy debates through analyses and briefings, and to explore proposals to increase transparency and accountability within the state budget process.

\$300,000 / 24 months

THE CSLA FOUNDATION LOS ANGELES

For the Pat Brown Institute to share information and facilitate dialogues about critical public policy issues in California.

\$250,000 / 24 months

KQED SAN FRANCISCO

To support statewide radio news coverage of significant policy and governance issues for California.

\$750,000 / 36 months

PACIFIC NEWS SERVICE SAN FRANCISCO

To support professional development workshops on state policy reporting, news-maker briefings, and multilingual polling.

\$1,000,000 / 24 months

POLICYLINK

OAKLAND

To provide information and analyses that inform civic engagement efforts in low-income communities related to housing, school facilities, and other issues.

\$500,000 / 24 months

PUBLIC POLICY INSTITUTE OF CALIFORNIA

SAN FRANCISCO

To conduct the “California State Budget” and “Californians and Their Government” survey series and to produce an edited volume by expert authors on “California’s Policymaking Constraints.”

\$1,000,000 / 24 months

PUBLIC POLICY INSTITUTE OF CALIFORNIA

SAN FRANCISCO

To conduct four statewide surveys related to the November election and to cohost a post-election event to discuss survey findings and the state’s future.

\$300,000 / 9 months

RADIO BILINGÜE

FRESNO

For an evaluation of Radio Bilingüe’s environmental affairs desk.

\$40,000 / 12 months

WHITE ASH BROADCASTING

FRESNO

To support a public affairs radio program for the Central Valley.

\$150,000 / 24 months

Mobilizing Californians

Fostering dialogues between underrepresented communities and public officials on issues of concern and encouraging higher voter participation

CENTER FOR COMMUNITY ACTION AND ENVIRONMENTAL JUSTICE

RIVERSIDE

To conduct trainings and provide opportunities for low-income residents to communicate with public officials on environmental health issues.

\$200,000 / 24 months

CENTER ON RACE, POVERTY & THE ENVIRONMENT

SAN FRANCISCO

To facilitate the participation of low-income communities in Tulare County in decision-making about public infrastructure investment and local land-use issues.

\$150,000 / 18 months

CENTRAL COAST ALLIANCE UNITED FOR A SUSTAINABLE ECONOMY

VENTURA

To increase civic engagement and participation in local decision-making processes among low-income communities in the Central Coast region.

\$250,000 / 24 months

CHINESE AMERICAN VOTERS EDUCATION COMMITTEE

SAN FRANCISCO

To increase civic and voter participation among Asian Americans.

\$160,000 / 24 months

COMMUNITIES FOR A BETTER ENVIRONMENT

HUNTINGTON PARK

To provide opportunities for southeast Los Angeles and Los Angeles Harbor area residents to engage with public officials on land use and environmental policy issues.

\$300,000 / 24 months

COMMUNITY PARTNERS

LOS ANGELES

To conduct trainings and discussions, through immigrant hometown associations, that foster greater civic engagement among Latino immigrants in Los Angeles, Riverside, and San Bernardino counties.

\$150,000 / 18 months

EAST L.A. COMMUNITY CORPORATION

LOS ANGELES

To facilitate the participation of low-income residents in decision making about land use and economic development.

\$150,000 / 18 months



ENVIRONMENTAL HEALTH COALITION

NATIONAL CITY

To provide opportunities for San Diego County residents to engage with public officials on land use policies in low-income urban neighborhoods.

\$300,000 / 24 months

FOUNDATION-ADMINISTERED PROJECT

SAN FRANCISCO

To support assessment and related convening activities to increase the organizational effectiveness and sustainability of grantees funded through Irvine's priority area of Mobilizing Californians.

\$6,775 / 12 months

IMMIGRANT LEGAL RESOURCE CENTER

SAN FRANCISCO

To conduct nonpartisan voter education activities within immigrant communities in the Central Valley.

\$300,000 / 24 months

LATINO CENTER FOR PREVENTION & ACTION IN HEALTH & WELFARE

SANTA ANA

To provide opportunities for low-income Santa Ana residents to engage in civic activities designed to improve their quality of life.

\$300,000 / 24 months

LATINO ISSUES FORUM

SAN FRANCISCO

To support a conference and follow-up activities designed to increase civic participation among California Latinos.

\$66,000 / 12 months

ORANGE COUNTY CONGREGATION COMMUNITY ORGANIZATION

ANAHEIM

To provide opportunities for low- and moderate-income residents in Orange County to connect to public officials on issues affecting their communities.

\$100,000 / 24 months

PACOIMA BEAUTIFUL

PACOIMA

To provide opportunities for Pacoima residents to engage with public officials to promote a healthy and safe environment.

\$150,000 / 24 months

RIVERSIDE AFRICAN AMERICAN HISTORICAL SOCIETY

RIVERSIDE

To launch a Grassroots Leadership Academy to train and assist low-income, ethnic residents to be leaders in addressing community concerns.

\$90,000 / 36 months

SAN DIEGO ORGANIZING PROJECT

SAN DIEGO

To provide opportunities for low- and moderate-income residents in San Diego County to connect to public officials on issues affecting their communities.

\$240,000 / 24 months

SOUTHERN ALAMEDA COUNTY SPONSORING COMMITTEE

HAYWARD

To provide opportunities for low- and moderate-income residents in southern Alameda County to connect to public officials on issues affecting their communities.

\$120,000 / 24 months

TCC GROUP

NEW YORK, N.Y.

To conduct organizational assessments for a set of Irvine's Mobilizing Californians grantees.

\$85,000 / 6 months

CALIFORNIA VOTES INITIATIVE

Supporting organizations that encourage voter participation among infrequent voters in the San Joaquin Valley and Los Angeles, Orange, Riverside, and San Bernardino counties, including an evaluation of effective voter outreach strategies

FOUNDATION-ADMINISTERED PROJECT

SAN FRANCISCO

To support training and informational sessions for grantee organizations associated with the California Votes Initiative.

\$14,988 / 12 months



**PACIFIC INSTITUTE FOR
COMMUNITY ORGANIZATION**

OAKLAND

To conduct nonpartisan voter education and mobilization activities directed to low-propensity voters in the Central Valley and the counties of Los Angeles, Orange, Riverside, and San Bernardino.

\$1,300,000 / 30 months

**SOUTHWEST VOTER REGISTRATION
EDUCATION PROJECT**

LOS ANGELES

To conduct nonpartisan voter education and mobilization activities among Latinos in low-income communities in Los Angeles, Riverside and San Bernardino counties.

\$400,000 / 24 months

The James Irvine Foundation Leadership Awards

Recognizing California leaders who are advancing innovative and effective solutions to significant state issues

**THE ACCELERATED SCHOOL
OF SOUTH LOS ANGELES**

**AWARD RECIPIENTS:
JOHNATHAN WILLIAMS AND
KEVIN SVED**

LOS ANGELES

To provide after school programs, arts programs, physical education and health services to The Accelerated School's students.

\$150,000 / 12 months

**ASPIRE PUBLIC SCHOOLS
AWARD RECIPIENT: DON SHALVEY**

OAKLAND

To explore expansion of the Aspire Public School model in the Central Valley.

\$125,000 / 12 months

FOUNDATION-ADMINISTERED PROJECT

SAN FRANCISCO

To select and recognize California leaders, and to promote effective solutions to critical issues for California's future, through The James Irvine Foundation Leadership Awards.

\$177,092 / 12 months

HEAL THE BAY

AWARD RECIPIENT: MARK GOLD

SANTA MONICA

To improve the quality of Southern California coastal waters and watersheds.

\$125,000 / 12 months

**LENDERS FOR COMMUNITY
DEVELOPMENT**

AWARD RECIPIENT: ERIC WEAVER

SAN JOSE

To provide financial services and products to low-income communities in the Bay Area.

\$125,000 / 12 months

TALLER SAN JOSE

AWARD RECIPIENT:

SISTER EILEEN McNERNEY

SANTA ANA

To strengthen and expand workforce development programs for at-risk youth.

\$125,000 / 12 months

THE W. HAYWOOD BURNS INSTITUTE

AWARD RECIPIENT: JAMES BELL

SAN FRANCISCO

To address disproportionate minority confinement in the juvenile justice system.

\$125,000 / 12 months

Special Projects

THE ADVANCEMENT PROJECT

LOS ANGELES

To promote governing systems in Los Angeles that better serve low-income residents and to conduct an organizational strategic planning process.

\$400,000 / 24 months

**THE COMMONWEALTH CLUB
OF CALIFORNIA**

SAN FRANCISCO

For strategic planning and related feasibility analysis of regional programming.

\$35,000 / 6 months

CALIFORNIA PERSPECTIVES:

47 GRANTS TOTALING \$11,961,855

Highlights of 2006

- In April, with a \$6 million grant, we established ConnectEd: The California Center for College and Career. ConnectEd is a statewide nonprofit organization working to expand the role that academically rigorous career and technical education can play in preparing more young people for college and lasting success in the state's economy.
- During the year, we fostered the development of a statewide network of model programs to test and demonstrate the most promising examples of the "multiple pathways" approach to high school education. This approach recognizes the diversity of student interests and abilities, and engages students in academically challenging work by demonstrating its relevance to the real world.
- New research commissioned by Irvine on a variety of topics – including career and technical education, multiple pathways and public school finance and governance – contributed significantly to existing knowledge and informed discussions by policymakers, education leaders, and other key stakeholders.

2006

YOUTH

GOALS AND PRIORITIES

The goal of the Youth program is to increase the number of low-income youth in California who complete high school on time and attain a postsecondary credential by the age of 25. Our program targets the tens of thousands of young people from low-income families and those with limited English proficiency who, research shows, are more likely to drop out of high school unless given additional incentives and support to stay in school.

The Youth program has two priorities:

- **Multiple Pathways to College and Career:** Promoting academically rigorous career and technical education in California high schools
- **Increasing Student Success:** Improving instruction and student support services in high schools and community colleges

In 2006, the Youth program awarded 49 grants totaling \$23.4 million.

Multiple Pathways to College and Career

Promoting academically rigorous career and technical education in California high schools

AMERICAN YOUTH POLICY FORUM

WASHINGTON, D.C.

To develop and provide opportunities for California policymakers to learn more about comprehensive programs of academic and technical study associated with positive student outcomes.

\$75,000 / 12 months

CALIFORNIA STATE UNIVERSITY, FRESNO FOUNDATION

FRESNO

To support the Central Valley Educational Leadership Institute's College and Career Readiness Task Force.

\$100,000 / 9 months

THE COMMUNITY FOUNDATION

RIVERSIDE

To prepare underrepresented San Bernardino County high school students for math, technology, engineering, and science-related postsecondary programs and careers.

\$300,000 / 24 months

CONNECTED

BERKELEY

For the creation of the California Center for Professional and Technical Education to build multiple pathways to college and career for California's students.

\$6,000,000 / 36 months

CONNECTED

BERKELEY

To support the expansion of a network of innovative and effective career and technical education programs in California high schools.

\$1,500,000 / 19 months

CV ECONOMIC

PALM DESERT

To support an ongoing initiative to develop new educational and career pathways for low-income youth in the Coachella Valley.

\$300,000 / 24 months

FOUNDATION-ADMINISTERED PROJECT

SAN FRANCISCO

To support the launch of ConnectEd.

\$232,446 / 12 months

FULFILLMENT FUND

LOS ANGELES

To support the implementation and evaluation of career-themed college preparatory programs at seven high schools in the Los Angeles Unified School District.

\$200,000 / 24 months

MDRC

NEW YORK, N.Y.

To support an extended evaluation of the career academy model to inform high school reform efforts in California.

\$150,000 / 24 months

MPR ASSOCIATES

BERKELEY

To complete essential pre-launch activities for establishing a California Center for Career and Technical Education to support the development of multiple pathways for California's youth.

\$150,000 / 3 months

RIVERSIDE COMMUNITY COLLEGE

DISTRICT FOUNDATION

RIVERSIDE

To develop and test an academically rigorous career and technical education model, including internship and concurrent college enrollment opportunities, to increase high school retention and college-going rates at a high school in Riverside County.

\$300,000 / 24 months

Increasing Student Success

Improving instruction and student support services in high schools and community colleges

AVID CENTER

SAN DIEGO

To pilot an extension of the AVID model to students who are English learners performing in the lowest quartile academically in a Los Angeles County school district.

\$400,000 / 12 months



CENTER FOR APPLIED LINGUISTICS

WASHINGTON, D.C.

To pilot a model for improved subject-area instruction for English learners in high school and college in the Central Valley.

\$700,000 / 24 months



COMMONWEALTH CORPORATION

BOSTON, MASS.

To support the expansion of the Diploma Plus model in California, including the development of a competency and performance-based academic measures system for alternative high schools.

\$750,000 / 24 months

FOUNDATION-ADMINISTERED PROJECT

SAN FRANCISCO

To support the goals and objectives of high school instructional improvement grants through evaluation, communication, dissemination, and convening activities.

\$61,977 / 12 months

FOUNDATION FOR CALIFORNIA

COMMUNITY COLLEGES

SACRAMENTO

To provide technical assistance to California community colleges that are supporting college bridge and career pathway programs serving disadvantaged and disconnected youth.

\$300,000 / 12 months

HIGHER EDUCATION

POLICY INSTITUTE

SAN JOSE

To evaluate the differences between secondary and postsecondary academic assessments of high school students and to inform the development of an early assessment program for students preparing to enter the California community college system.

\$140,000 / 5 months

INTERNATIONALS NETWORK

FOR PUBLIC SCHOOLS

NEW YORK, N.Y.

For the planning and launch of two public high schools in California based on the International Schools model.

\$150,000 / 18 months

NATIONAL HISPANIC UNIVERSITY

SAN JOSE

To demonstrate a program for improving the academic performance of Latino English-learners and to help them complete a rigorous pre-collegiate secondary school program.

\$300,000 / 24 months

POSSE FOUNDATION

LOS ANGELES

For a challenge grant to increase and diversify Posse Los Angeles' funding base.

\$100,000 / 12 months

PROJECT GRAD LOS ANGELES

NORTH HOLLYWOOD

To increase the number of low-income, first generation college-going Latino high school students who pursue a postsecondary education and earn an associate's or bachelor's degree.

\$150,000 / 12 months

PUBLIC POLICY INSTITUTE

OF CALIFORNIA

SAN FRANCISCO

To produce a statewide statistical profile of out-of-school youth, aged 14 to 22, highlighting their educational and economic condition, with a particular focus on immigrant populations.

\$100,000 / 12 months

PUENTE LEARNING CENTER

LOS ANGELES

For a pilot project to provide supplementary mathematics instruction and other academic support services to increase the academic achievement and persistence of low-income, inner-city high school students in the Los Angeles Unified School District.

\$300,000 / 24 months

REGENTS OF THE

UNIVERSITY OF CALIFORNIA

OAKLAND

To provide professional development to new teachers through UC Santa Cruz's New Teacher Center in the Merced Union High School District to increase their ability to raise levels of academic literacy for English learners.

\$625,000 / 24 months

**UNIVERSITY OF CALIFORNIA,
RIVERSIDE FOUNDATION**

RIVERSIDE

To improve student achievement in mathematics, especially among high school students who are underrepresented in mathematically-based careers in Riverside and Imperial counties.

\$150,000 / 24 months

**THE UNIVERSITY OF TEXAS
FOUNDATION**

AUSTIN, TEXAS

To survey community college students and faculty in California to assess their levels of engagement in educationally purposeful activities in an effort to improve and promote student academic achievement and persistence, as part of the SSPIRE Initiative.

\$250,000 / 36 months

WESTED

SAN FRANCISCO

To improve instruction and academic learning across the curriculum within five high schools in the East Side Union High School District, which has a large English learner student population.

\$725,000 / 24 months

Special Projects

**ASSOCIATION OF AMERICAN
COLLEGES AND UNIVERSITIES**

WASHINGTON, D.C.

To support participation by representatives of California colleges and universities in AAC&U's 2006 Diversity and Learning Conference.

\$30,000 / 6 months

**CALIFORNIA TEACHING
FELLOWS FOUNDATION**

FRESNO

To build and support quality out-of-school time opportunities for high school youth in the Central Valley.

\$100,000 / 24 months

**CAMPAIGN FOR
COLLEGE OPPORTUNITY**

OAKLAND

For core operating support.

\$400,000 / 24 months

**THE CENTER FOR THE FUTURE
OF TEACHING AND LEARNING**

SANTA CRUZ

To support a strategic planning process.

\$40,000 / 9 months

COLLEGE TRACK

EAST PALO ALTO

To support an executive search and transition.

\$35,000 / 9 months

**EASTSIDE COLLEGE
PREPARATORY SCHOOL**

EAST PALO ALTO

For a matching grant, to complete the second and final phase of Eastside's capital campaign.

\$350,000 / 9 months

EDSOURCE

MOUNTAIN VIEW

For core operating support.

\$400,000 / 24 months

**FOUNDATION FOR CALIFORNIA
COMMUNITY COLLEGES**

SACRAMENTO

For dissemination of the California Community College system strategic plan, to increase broad stakeholder support for reform and investment in the system.

\$50,000 / 6 months

**REGENTS OF THE
UNIVERSITY OF CALIFORNIA**

OAKLAND

To conduct a research project on the high school dropout issue in California.

\$200,000 / 14 months

**SAN DIEGO STATE UNIVERSITY
FOUNDATION**

SAN DIEGO

To conduct case studies of continuation high schools in Southern California and the Inland Empire as part of a larger study on the state's alternative education options system.

\$100,000 / 12 months

**THE SAN FRANCISCO FOUNDATION
COMMUNITY INITIATIVE FUNDS**

SAN FRANCISCO

For the California Legislative Program, a series of information and education sessions to support quality decision-making by legislative staff on education policy issues.

\$75,000 / 24 months

SEED FOUNDATION

WASHINGTON, D.C.

To support the expansion of the SEED Foundation’s urban boarding high school model in California targeting low-income and academically underperforming students.

\$50,000 / 6 months

STANFORD UNIVERSITY

STANFORD

To conduct case studies of continuation high schools in Northern California as part of a larger study on the state’s alternative education options system.

\$175,000 / 12 months

STANFORD UNIVERSITY

STANFORD

For a research study examining the effects of the California High School Exit Exam on student outcomes.

\$300,000 / 24 months

WESTED

SAN FRANCISCO

To conduct a statewide scan and analysis of available data on California’s alternative education options system.

\$175,000 / 12 months

WOMEN MAKE MOVIES

NEW YORK, N.Y.

For the production of a documentary film examining community organizing as a strategy to increase public participation in education reform, highlighting the successful work of the Oakland Community Organization.

\$25,000 / 12 months

In addition to the preceding Youth program priorities, Youth grants were approved in 2006 in support of the following concluding initiative:

Communities Organizing Resources to Advance Learning (CORAL) Initiative

Increasing the academic achievement of youth (with an emphasis on elementary school students) by involving students, families, schools, and organizations in high-quality, out-of-school learning opportunities. The initiative, launched in 1999, will come to a planned conclusion in 2007.

CATHOLIC CHARITIES OF SANTA CLARA COUNTY

SAN JOSE

For the final year of implementation of the CORAL Initiative in San Jose.

\$1,200,000 / 12 months

FRESNO CORAL

FRESNO

For the final year of implementation of the CORAL Initiative in Fresno.

\$1,200,000 / 12 months

FRESNO CORAL

FRESNO

For accounting and legal assistance services.

\$5,000 / 6 months

PUBLIC / PRIVATE VENTURES

PHILADELPHIA, PENN.

To improve the quality and effectiveness of the after-school programming in the five California cities of the CORAL Initiative through the provision of management, technical assistance, communications, and evaluation services.

\$1,575,000 / 18 months



SACRAMENTO CHILDREN’S HOME

SACRAMENTO

For the final year of implementation of the CORAL Initiative in Sacramento.

\$1,200,000 / 12 months

YOUNG MEN’S CHRISTIAN ASSOCIATION OF GREATER LONG BEACH

LONG BEACH

For the final year of implementation of the CORAL Initiative in Long Beach.

\$1,200,000 / 12 months

YOUTH: 49 GRANTS TOTALING

\$23,394,424

Highlights of 2006

- In late 2006, we launched the Families Improving Education Initiative, a joint effort by our Youth and California Perspectives programs to engage families in the Central Valley – particularly those in low-income, ethnic, and immigrant communities – in educational policymaking concerning their local schools.
- Our Community Foundations Initiative II achieved key milestones in 2006: All nine organizations participating in the initiative exceeded their targets for asset growth more than a year ahead of schedule. Many had expanded their operations and were learning important lessons about sustainability.
- Through our New Connections Fund (NCF), we continued to reach small organizations; 82 percent of NCF grants went to organizations with annual budgets of less than \$2 million. And a high proportion of grantee organizations – 74 percent – were new to Irvine.

CROSS-PROGRAM & OTHER GRANTMAKING

In addition to our core programs, Irvine also allocates a limited portion of its budget to grantmaking that complements and broadens the impact of those programs, and takes advantage of compelling opportunities that are consistent with our mission. This grantmaking falls into three categories:

- Through **Cross-Program Grants**, we support interdisciplinary activities that advance the objectives of two or more of our program areas. We also support activities that advance our grantmaking principles of enhancing grantee effectiveness, strengthening philanthropic infrastructure, and building leadership throughout the state.
- The **New Connections Fund** is a pilot program designed to help us identify partners and support new approaches in our program areas, and to increase the number of new organizations in our grants portfolio. We provide funding for organizations, often new to Irvine, that have projects that are well-aligned with selected program priorities.
- Our **Special Opportunities Fund** is used to respond to compelling one-time opportunities consistent with our mission, charter, and history. With grants initiated by the Foundation, this Fund allows Irvine to maintain flexibility while focusing the majority of our resources on a set of targeted strategies and priorities under our three programs.

2006

CROSS-PROGRAM

Joint Programming: Arts & California Perspectives

SOUTHERN CALIFORNIA PUBLIC RADIO
LOS ANGELES

To support news coverage of significant policy and governance issues and a weekly arts and culture program.

\$325,000 / 24 months

**ZÓCALO: A CULTURAL FORUM
FOR THE NEW L.A.**
LOS ANGELES

To support the Zócalo Public Square Lecture Series and Zócalo Radio, a weekly public radio show.

\$300,000 / 24 months

Joint Programming: California Perspectives & Youth

ALLIANCE FOR A BETTER COMMUNITY
LOS ANGELES

To establish a network of five regional education collaboratives to engage community members on educational issues and policies.

\$500,000 / 24 months

**CALIFORNIANS FOR JUSTICE
EDUCATION FUND**
OAKLAND

To engage parents and young adults in policy discussions on K-14 education issues.

\$200,000 / 24 months

**THE COMMONWEALTH CLUB
OF CALIFORNIA**
SAN FRANCISCO

To organize a series of editorial board roundtables focusing on education reform.

\$175,000 / 18 months

WESTED
SAN FRANCISCO

To support the establishment of a forum for California's urban mayors to discuss education and increase their leadership role in education.

\$300,000 / 36 months

Families Improving Education Initiative

To support families – particularly those in low-income, ethnic, and immigrant communities – to become involved in educational policymaking concerning their local schools

**CALIFORNIA RURAL
LEGAL ASSISTANCE FOUNDATION**
SACRAMENTO

To engage Central Valley families in educational decision-making at the school and district levels to promote more responsive and effective educational policies.

\$250,000 / 24 months

**THE COMMUNITY PARTNERSHIP FOR
FAMILIES OF SAN JOAQUIN COUNTY**
STOCKTON

To engage Stockton families in educational decision-making at the school and district levels to promote more responsive and effective educational policies.

\$175,000 / 24 months

**COMMUNITY SERVICES
AND EMPLOYMENT TRAINING**
VISALIA

To engage Tulare County families in educational decision-making at the school and district levels to promote more responsive and effective educational policies.

\$200,000 / 24 months

FAMILIES IN SCHOOLS
LOS ANGELES

To serve as a facilitator, convener, and technical assistance provider for the Central Valley Families Improving Education Initiative grantees.

\$500,000 / 24 months



FRESNO CENTER FOR NEW AMERICANS
FRESNO

To engage Fresno families in educational decision-making at the school and district levels to promote more responsive and effective educational policies.

\$250,000 / 24 months

FRESNO COVENANT FOUNDATION
FRESNO

To engage San Joaquin Valley families in educational decision-making at the school and district levels to promote more responsive and effective educational policies.

\$250,000 / 24 months

Cross-Program Special Initiatives

FUND FOR LEADERSHIP ADVANCEMENT

To enhance the leadership capacities of the executive directors of select grantee organizations

ANGELS GATE CULTURAL CENTER SAN PEDRO

To enhance organizational and leadership capacities in cultural policy, fundraising, and operations.

\$60,000 / 18 months

ASPIRE PUBLIC SCHOOLS OAKLAND

To strengthen the senior management team and align organizational systems to support planned growth and program expansion.

\$65,000 / 18 months

BTW CONSULTANTS BERKELEY

To evaluate the Fund for Leadership Advancement.

\$120,000 / 24 months

CALIFORNIA CHARTER SCHOOL CONSORTIUM LOS ANGELES

To strengthen the senior management team and realign the position of the chief executive officer to focus on the organization's strategic direction and external constituents.

\$75,000 / 18 months

THE CSLA FOUNDATION LOS ANGELES

To leverage the position of the executive director of the Pat Brown Institute and for improved strategic communications to expand its sphere of influence in the public policy arena.

\$55,000 / 18 months

ENVISION SCHOOLS SAN FRANCISCO

For improved governance, organizational structure, and communications to support institutional expansion.

\$74,000 / 18 months

FOUNDATION-ADMINISTERED PROJECT SAN FRANCISCO

For technical assistance and coaching for executive directors of organizations participating in the Fund for Leadership Advancement.

\$30,940 / 12 months

GRAND PERFORMANCES LOS ANGELES

To align organizational structure and operations to support growth and expanded programming.

\$56,000 / 18 months

HIGH TECH HIGH FOUNDATION SAN DIEGO

To strengthen executive leadership and improve organizational structures and systems to support planned growth and program expansion.

\$75,000 / 18 months

MOVIMIENTO DE ARTE Y CULTURA LATINO AMERICANA DE SAN JOSE SAN JOSE

To improve leadership capacities, executive management, and organizational systems.

\$35,000 / 18 months

OTIS ART INSTITUTE LOS ANGELES

To strengthen senior management, governance and external outreach and for improved organizational structure and culture.

\$75,000 / 24 months



PACIFIC ASIA MUSEUM PASADENA

To align organizational culture, operations, staffing, and governance with institutional strategic direction.

\$60,000 / 18 months

SPRINGBOARD SCHOOLS SAN FRANCISCO

To leverage the position of the executive director to focus on the organization's external constituents, resource mobilization, and advocacy efforts.

\$75,000 / 24 months

YOUTH SPEAKS SAN FRANCISCO

To improve executive and senior management, governance, and financial planning.

\$65,000 / 18 months

COMMUNITY FOUNDATIONS INITIATIVE II

To accelerate the growth and leadership of nine small and emerging community foundations in rural areas of California

THE COMMUNITY FOUNDATION OF MENDOCINO COUNTY

UKIAH

To enhance marketing capacity in order to reach new donors and increase philanthropic impact.

\$75,000 / 20 months



FOUNDATION-ADMINISTERED PROJECT SAN FRANCISCO

For convening, technical assistance, and information-sharing among the nine California community foundations participating in the Community Foundations Initiative II.

\$187,482 / 12 months

FSG

BOSTON, MASS.

To support nine California community foundations to identify and implement sustainable business models, and to research and document lessons for the field about community foundation growth.

\$340,000 / 12 months

FSG

BOSTON, MASS.

To support the design of an overarching assessment of the Community Foundations Initiative II.

\$50,000 / 4 months

FSG

BOSTON, MASS.

For an overarching assessment of the Community Foundations Initiative II.

\$275,000 / 24 months

LA PIANA ASSOCIATES

PIEDMONT

For continued board development consultation and training for nine California community foundations.

\$200,000 / 14 months

PLACER COMMUNITY FOUNDATION

AUBURN

For legal technical assistance regarding the public support test required of community foundations.

\$6,000 / 6 months

SAN LUIS OBISPO COUNTY COMMUNITY FOUNDATION

SAN LUIS OBISPO

To support an executive transition process.

\$35,000 / 6 months

WILLIAMS GROUP

GRAND RAPIDS, MICH.

To build communications capacity and provide initial communications support to nine California community foundations.

\$120,000 / 8 months

WILLIAMS GROUP

GRAND RAPIDS, MICH.

To create core marketing tools for and continue to build communications capacity in nine California community foundations.

\$150,000 / 12 months

RESEARCH AND COMMUNICATIONS ABOUT PRIORITY REGIONS

To enhance understanding by public and private funders of key trends and issues in the Central Valley, Inland Empire, and Los Angeles County

FOUNDATION-ADMINISTERED PROJECT SAN FRANCISCO

To document and publicize philanthropic giving in California, itemizing geographic giving trends.

\$116,853 / 4 months

PUBLIC POLICY INSTITUTE OF CALIFORNIA

SAN FRANCISCO

To publish and disseminate a report on demographic and economic projections for the Inland Empire and its sub-regions, emphasizing educational attainment, migration, and civic participation.

\$125,000 / 12 months

UNIVERSITY OF SAN FRANCISCO

To support the publication and dissemination of two reports on the location, importance, and capacity of the nonprofit sectors in the Inland Empire and San Joaquin Valley.

\$225,000 / 16 months

Special Projects

BOARDSOURCE

WASHINGTON, D.C.

To refine and test an innovative diagnostic tool to assess board behaviors, dynamics, and effectiveness, and for core operating support.

\$250,000 / 24 months

BOARDSOURCE

WASHINGTON, D.C.

To support a training workshop for California nonprofits participating in a pilot test of The Source Diagnostic tool, designed to strengthen board governance and assess board effectiveness.

\$35,000 / 4 months

COMPASSPOINT NONPROFIT SERVICES

SAN FRANCISCO

To support an executive transition process.

\$35,000 / 6 months

GRANTMAKERS FOR EFFECTIVE ORGANIZATIONS

WASHINGTON, D.C.

For board assessment and development.

\$14,000 / 7 months

FOUNDATION-ADMINISTERED PROJECT SAN FRANCISCO

To support communications activities that advance the goals of Irvine's grantmaking priorities.

\$51,580 / 12 months

SOUTHERN CALIFORNIA CENTER FOR NONPROFIT MANAGEMENT LOS ANGELES

For an assessment and feasibility analysis of strategic and organizational options.

\$25,000 / 6 months

TCC GROUP

NEW YORK, N.Y.

To develop a briefing paper and presentation on designing and managing long-term capacity-building initiatives.

\$25,000 / 18 months

CROSS-PROGRAM:

46 GRANTS TOTALING \$6,686,855

SPECIAL OPPORTUNITIES

HENRY E. HUNTINGTON LIBRARY AND ART GALLERY

SAN MARINO

For capital costs for the new Chinese Garden, contingent upon a one-to-one matching requirement.

\$2,000,000 / 12 months

MILLS COLLEGE

OAKLAND

For The James Irvine Foundation Computer Classroom and Student Lounge at the new Natural Sciences Building.

\$300,000 / 12 months

PENINSULA COMMUNITY FOUNDATION

SAN MATEO

For organizational evaluation and assessment related to a CEO transition.

\$100,000 / 3 months

SILICON VALLEY COMMUNITY FOUNDATION

SAN MATEO

To support integration costs related to the merger between the Peninsula Community Foundation and Community Foundation Silicon Valley.

\$800,000 / 6 months

SOUTHERN CALIFORNIA PUBLIC RADIO LOS ANGELES

For The James Irvine Foundation Studio at the new Southern California Public Radio Broadcast Center, contingent upon a one-to-one matching requirement.

\$2,000,000 / 24 months

SPECIAL OPPORTUNITIES:

5 GRANTS TOTALING \$5,200,000

NEW CONNECTIONS FUND

The New Connections Fund is a pilot program designed to help us identify partners and support new approaches in our program areas, and to increase the number of new organizations in our grants portfolio. We provide funding for organizations, often new to Irvine, that have projects that are well-aligned with selected program priorities.

ARTS: Artistic Creativity

DIMENSIONS DANCE THEATER

OAKLAND

For Cross Currents, a multidisciplinary collaboration between Dimensions Dance Theater and composer Anthony Brown based on African American migrations to and within the San Francisco Bay Area.

\$30,000 / 12 months

EDGEFEST

LOS ANGELES

For support of The LA History Project to bring playwrights and theater companies together to create six new plays about Los Angeles.

\$30,000 / 24 months

FRIENDS & FOUNDATION OF THE SAN FRANCISCO PUBLIC LIBRARY

SAN FRANCISCO

To support 15 commissions by the James Hormel Center of Bay Area LGBT writers to create new literary and spoken word pieces reflecting the ongoing influence of the Beats.

\$25,000 / 12 months

FRIENDS, THE FOUNDATION OF THE CALIFORNIA AFRICAN AMERICAN MUSEUM

LOS ANGELES

For the commission of Emerging into Spirit, a permanent six-sculpture installation by Artis Lane and the accompanying retrospective exhibition of her work.

\$40,000 / 18 months

IRVINE BARCLAY THEATRE OPERATING COMPANY

IRVINE

To expand the artistic scope and public visibility of the New World Flamenco Festival, Fronteras, through the commissioning and presentation of international flamenco companies and a collaboration by Yaelisa Petlin and tap master Savion Glover.

\$35,000 / 12 months

KEARNY STREET WORKSHOP

SAN FRANCISCO

For the Intergenerational Writers Lab, connecting established and emerging writers to develop new work.

\$14,000 / 24 months

LA POCHA NOSTRA

SAN FRANCISCO

To support La Nostalgia/Nostegee, a new performance piece by Guillermo Gómez-Peña and James Luna.

\$17,000 / 12 months

LAXART

LOS ANGELES

To support two projects by Los Angeles-based artists. including a site-specific exhibition and public project by Ruben Ochoa in 2006 and a publication by Rodney McMillan in 2007.

\$40,000 / 24 months

LOS ANGELES CHILDREN'S CHORUS

PASADENA

For the world premiere production of an original children's opera, *Keepers of the Night*.

\$50,000 / 12 months



MARIN THEATRE COMPANY

MILL VALLEY

To provide commissioning and production support for a new play by emerging playwright Marisela Treviño, created in partnership with immigrant teens from the Canal Alliance in San Rafael.

\$50,000 / 24 months

MONTEREY JAZZ FESTIVAL

MONTEREY

For the Commissioned Artist Program, providing commissioning and performance support for *Cannery Row Suite* by Dave Brubeck in 2006 and a new work by Gerald Wilson in 2007.

\$50,000 / 24 months

SANTA CRUZ COUNTY SYMPHONY

SANTA CRUZ

To support the creation of a new orchestral work, geared toward youth and family audiences and focused on the culture and environment of the Americas.

\$20,000 / 24 months

SEQUOIA AND KINGS CANYON**NATIONAL PARK FOUNDATION**

VISALIA

For Artists in the Backcountry, a one-week summer artist residency program in the Sequoia and Kings Canyon National Parks.

\$30,000 / 24 months

**SOUTHERN CALIFORNIA LIBRARY
FOR SOCIAL STUDIES & RESEARCH**

LOS ANGELES

For the development and production of *Los Trez*, a graphic novel exploring the roots of community conflict in South Los Angeles.

\$50,000 / 24 months

ARTS: Connection Through Cultural Participation

THE AJA PROJECT

SAN DIEGO

To support Journey, a participatory photography project providing refugee youth in San Diego with opportunities for artistic expression and connection to older generations.

\$50,000 / 24 months

ARTS COUNCIL OF KERN

BAKERSFIELD

For the Arts Ambassadors program, providing new audiences with access to artistic presentations in non-traditional venues throughout Kern County.

\$45,000 / 12 months

BAKERSFIELD ART FOUNDATION

BAKERSFIELD

To support Senior Wednesday, a program designed to reach mature audiences and engage them in the Bakersfield Art Museum's programming through tailored cultural activities.

\$9,000 / 24 months

BLACK ROCK ARTS FOUNDATION

SAN FRANCISCO

To fund expansion of the Civic Arts program, which supports the creation and presentation of public interactive artworks, to new communities in California.

\$50,000 / 24 months

CALIFORNIA INDIAN**BASKETWEAVERS ASSOCIATION**

WOODLAND

To support the association's 2007 and 2008 annual gatherings, presenting and promoting the art and cultural traditions of Native American basketweaving.

\$36,000 / 24 months

CAMBODIAN**COMMUNITY DEVELOPMENT**

OAKLAND

To preserve and promote traditional Cambodian art forms through intergenerational workshops and community performances, exhibitions, and recordings.

\$20,000 / 12 months

CENTRAL SIERRA ARTS COUNCIL

SONORA

To support the Foothill Farmlands Arts Festival, promoting multicultural arts, sustainable agriculture, and agricultural tourism in Tuolumne County.

\$33,000 / 24 months

CHILDREN'S MUSICAL**THEATREWORKS OF FRESNO**

FRESNO

To support a comprehensive marketing campaign to increase the number of season-ticket holders and promote greater donor participation.

\$40,000 / 24 months

CHITRESH DAS DANCE COMPANY

SAN FRANCISCO

For Kathak at the Crossroads, an international festival and symposium on classical dance from North India.

\$30,000 / 12 months

COMMUNITY PARTNERS

LOS ANGELES

To support LA Commons' community-based art projects involving local residents in the Los Angeles neighborhoods of MacArthur Park, East Hollywood, Sylmar, and Highland Park.

\$15,000 / 12 months

EARPLAY

SAN FRANCISCO

To broaden and diversify audiences for chamber music through the presentation of *Post-Colonial Discontinuum*, a new work by Guillermo Galindo, at non-traditional music venues in Tulare, Nevada, San Francisco, and Sonoma counties.

\$25,000 / 24 months

FRESNO PHILHARMONIC ASSOCIATION

FRESNO

To launch the Basically Beethoven festival and related outreach activities designed to expand and reach new audiences through broadcasts, workshops, and public events at unique locations.

\$24,000 / 12 months

**FRIENDS OF THE
CHILDREN'S MUSEUM AT LA HABRA**

LA HABRA

To support Hmong at Heart, a five-part cultural outreach, education, and participation project that will draw on a national touring exhibition about Hmong culture to develop and diversify the museum's audience.

\$50,000 / 24 months

INTERSECTION

SAN FRANCISCO

To support outreach and educational programming associated with Criminal, an interdisciplinary project investigating the theme of incarceration within California's criminal justice system.

\$50,000 / 24 months

**LOS ANGELES
CONTEMPORARY EXHIBITIONS**

HOLLYWOOD

To support the development of a mobile public art project, entitled Karaoke Ice, in tandem with an ongoing Listening Party series aimed at broadening and diversifying audiences.

\$50,000 / 24 months

**LOS ANGELES LATINO
INTERNATIONAL THEATRE FESTIVAL**

LOS ANGELES

For the production of Mexico en Los Angeles, promoting awareness of contemporary Mexican theater and culture to diverse Los Angeles audiences.

\$30,000 / 24 months

**THE LUTHER BURBANK
MEMORIAL FOUNDATION**

SANTA ROSA

To expand outreach and services provided to the Latino community in Santa Rosa through community roundtables, performances, and a regional festival.

\$50,000 / 24 months

LUX ART INSTITUTE

ENCINITAS

To support Family Days, a biannual community outreach event involving the commission of new work, hands-on art workshops, and artist talks.

\$20,000 / 24 months

MADERA COUNTY ARTS COUNCIL

MADERA

To present a year-long multicultural film festival aimed at broadening audiences and promoting greater cultural inclusion through related events and community partnerships.

\$15,000 / 12 months

MODESTO SYMPHONY ORCHESTRA

MODESTO

To continue and enhance the partnership between the Modesto Symphony Orchestra and leaders of the Hispanic community in Stanislaus County through a series of special events, performances, and interactive programs developed to engage new audiences.

\$50,000 / 12 months

MUSEUM OF LATIN AMERICAN ART

LONG BEACH

To support a comprehensive audience development and outreach strategy aimed at broadening and diversifying participation in museum activities.

\$30,000 / 12 months

**PASADENA PLAYHOUSE
STATE THEATER OF CALIFORNIA**

PASADENA

To expand the New Generations program, providing at-risk youth with opportunities for mentorship, artist interaction, and attendance at live theater performances.

\$45,000 / 18 months

**THE PASADENA SYMPHONY
ASSOCIATION**

PASADENA

To present Latino Sinfonica, a series of 10 concerts featuring Latin pop and classical music designed to promote greater participation among diverse Latino audiences.

\$50,000 / 24 months

**RURAL MEDIA ARTS AND
EDUCATION PROJECT**

MARIPOSA

To support World Cinema, a curated film series designed to provide greater access to foreign and domestic independent films in rural communities.

\$30,000 / 24 months

SACRAMENTO THEATRE COMPANY

SACRAMENTO

To enhance the theatre's capacity to diversify and attract a greater number of patrons in the 25-40 year age range through a targeted audience development campaign.

\$50,000 / 24 months

SAN DIEGO THEATRE SCENE

SAN DIEGO

To produce and tour a play about the Rwanda genocide and provide related educational activities in partnership with local community organizations.

\$15,000 / 24 months

SINFONIA MEXICANA

SAN BERNARDINO

For the presentation of two concerts, Classics Revisited, featuring 20th century Mexican classical composers, and a children's holiday concert featuring mariachi music and ballet folklorico.

\$45,000 / 24 months

STERN GROVE FESTIVAL ASSOCIATION

SAN FRANCISCO

To support education and community outreach activities complementing the festival's free concerts featuring a range of culturally and ethnically diverse music styles and traditions.

\$50,000 / 24 months

YOUTH MOVEMENT

OAKLAND

To support Sound of Change, an after-school program focused on providing youth with the skills to produce original music recordings, videos, and high-quality concerts.

\$50,000 / 24 months

CALIFORNIA PERSPECTIVES: Mobilizing Californians

ASIAN HEALTH SERVICES

OAKLAND

To support dialogue among low-income Asian residents and public officials on health care issues.

\$50,000 / 24 months

BERKELEY ORGANIZING CONGREGATIONS FOR ACTION

BERKELEY

To support dialogue among low-income Berkeley residents and public officials on education and other local issues.

\$25,000 / 24 months

CABRILLO ECONOMIC DEVELOPMENT CORPORATION

SATICOY

To support dialogue among low-income residents in Santa Barbara and Ventura counties and public officials on community development issues.

\$50,000 / 24 months

CAMPTONVILLE COMMUNITY PARTNERSHIP

CAMPTONVILLE

To facilitate communication among rural Yuba County residents and public officials on issues of concern.

\$22,500 / 24 months

CENTER FOR ASIAN AMERICANS UNITED FOR SELF-EMPOWERMENT

PASADENA

To conduct a series of forums with Asian Pacific Americans and public officials and to disseminate a set of recommendations to policymakers.

\$28,000 / 24 months

CENTER FOR INVESTIGATIVE REPORTING

BERKELEY

To conduct a series of community forums to discuss gang violence prevention and disseminate promising strategies and recommendations to policymakers.

\$50,000 / 12 months

COMMUNITY PARTNERS

LOS ANGELES

To engage parents and school officials in dialogue about school policies.

\$50,000 / 12 months

JUST CAUSE OAKLAND

OAKLAND

To involve residents in discussions with public officials on city planning and housing issues.

\$36,500 / 24 months

KOREAN AMERICAN COALITION

LOS ANGELES

To support dialogue among Los Angeles' Koreatown residents and public officials on issues of concern.

\$35,000 / 18 months



KOREAN IMMIGRANT WORKERS ADVOCATES OF SOUTHERN CALIFORNIA

LOS ANGELES

To organize a community town hall and related activities to facilitate discussions among low-income residents and public officials on issues of concern.

\$50,000 / 12 months

NATIONAL HOUSING LAW PROJECT

OAKLAND

To empower low-income, federally-assisted housing residents in effective dialogue with housing authority officials.

\$50,000 / 24 months

A NEW WAY OF LIFE FOUNDATION

LOS ANGELES

To foster dialogue among formerly incarcerated women and public officials on criminal justice and re-entry policy issues.

\$50,000 / 24 months

NORTH SAN DIEGO COUNTY

SPONSORING COMMITTEE

ESCONDIDO

To involve San Diego residents in discussions with public officials on affordable housing issues.

\$50,000 / 24 months

PROYECTO PASTORAL

LOS ANGELES

To support Comunidad en Movimiento's civic education, engagement, and leadership development efforts in Boyle Heights.

\$50,000 / 12 months

SACRAMENTO MUTUAL HOUSING ASSOCIATION

SACRAMENTO

To support dialogue among low-income residents and public officials on affordable housing issues.

\$50,000 / 24 months

UNION DE VECINOS DE PICO ALISO

LOS ANGELES

To involve East Los Angeles residents in discussions with public officials on redevelopment issues.

\$50,000 / 24 months

YOUTH: College Knowledge

B.A.Y. FUND

SAN FRANCISCO

To provide low-income youth and their families direct academic support and sustained guidance in preparation for college enrollment and matriculation.

\$50,000 / 24 months

BIG BROTHERS BIG SISTERS OF GREATER LOS ANGELES

LOS ANGELES

To provide low-income youth and their families with information about postsecondary opportunities and offer sustained guidance in preparation for college enrollment.

\$50,000 / 24 months

COMMUNITY COLLABORATIVE FOR YOUTH

CHICO

To support educational counseling and college preparation activities for low-income youth who are in alternative educational settings and are the first in their families to seek higher education.

\$25,000 / 24 months

EDUCATING YOUNG MINDS

LOS ANGELES

To support educational counseling and college preparation activities for low-income African American and Hispanic youth in Los Angeles.

\$50,000 / 24 months

FOUNDATION FOR A COLLEGE EDUCATION

EAST PALO ALTO

To promote college preparation and planning for low-income and first-generation college-going youth in East Palo Alto.

\$25,000 / 12 months

HEART OF LOS ANGELES YOUTH

LOS ANGELES

To prepare low-income Latino and African American youth in Los Angeles for postsecondary advancement by providing academic support and assistance with college entrance and financing requirements.

\$25,000 / 12 months

MAKING WAVES EDUCATION PROGRAM

RICHMOND

To promote college preparation and planning for low-income and first generation college-going youth who attend Title 1 high schools in Richmond and San Francisco.

\$35,000 / 12 months

THE MAR VISTA INSTITUTE

CULVER CITY

To assist first generation college-going youth and their families in Los Angeles to plan and prepare for higher education.

\$35,000 / 24 months

MARCUS A. FOSTER EDUCATIONAL INSTITUTE

OAKLAND

To assist first generation college-going youth and their families in Oakland to plan and prepare for postsecondary education.

\$25,000 / 12 months

OPERATION JUMP START

LONG BEACH

To prepare low-income youth in Long Beach for postsecondary education by promoting academic persistence and assisting with college preparation and enrollment.

\$20,000 / 12 months

ORANGE COUNTY BAR FOUNDATION

SANTA ANA

For a program to promote academic persistence and postsecondary enrollment of low-income Latina high school students in Santa Ana.

\$25,000 / 12 months



SACRAMENTO CHILD ADVOCATES

SACRAMENTO

To provide a comprehensive system of support to assist low-income youth from the foster care and probationary systems with postsecondary preparation, enrollment, and persistence.

\$32,500 / 12 months

SALVADORAN AMERICAN LEADERSHIP AND EDUCATIONAL FUND

LOS ANGELES

To support college preparation and success of low-income, first generation college-going youth in Los Angeles.

\$43,500 / 24 months

THINK TOGETHER

SANTA ANA

To provide educational services and guidance to low-income youth and their families to plan and prepare for postsecondary education.

\$50,000 / 24 months

YOUTH: Dropout Prevention

BOYS AND GIRLS CLUBS OF GREATER SACRAMENTO

SACRAMENTO

To support young people who have dropped out or who are at imminent risk of dropping out of high school with comprehensive services that promote academic persistence and success.

\$50,000 / 24 months

THE CENTER FOR YOUNG WOMEN'S DEVELOPMENT

SAN FRANCISCO

To provide low-income young women who are currently or formerly incarcerated or homeless, with direct academic support and sustained guidance in preparation for G.E.D. attainment, high school completion and/or college enrollment.

\$36,500 / 24 months

COMMUNITY PARTNERS

LOS ANGELES

To support low-income young women emerging from the probationary or juvenile justice system with educational counseling and links to county and district educational services.

\$31,000 / 12 months

JEREMIAH'S PROMISE

PALO ALTO

To support young people who have emancipated from the foster care system with comprehensive services that promote enrollment and persistence in community college.

\$20,000 / 12 months

PEACE 4 KIDS

COMPTON

For educational and support services to assist foster youth and youth emancipated from the foster care system in maintaining educational progress toward high school completion, G.E.D. attainment or postsecondary education.

\$45,000 / 12 months

WALDEN FAMILY SERVICES FOUNDATION

SAN DIEGO

To support low-income youth in the foster care system in Riverside to complete high school, and to promote academic persistence in postsecondary settings.

\$26,500 / 24 months

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SAN BERNARDINO

SAN BERNARDINO

To provide low-income youth in San Bernardino who are at imminent risk of dropping out, or who have already dropped out of high school, with opportunities to attain a G.E.D. and earn college credit.

\$30,000 / 24 months

80 GRANTS TOTALING \$2,965,000

REGRANTING

The Foundation seeks to extend the reach and effectiveness of its grantmaking by tapping the expertise, local knowledge, and infrastructure of intermediary organizations that regrant Irvine dollars to smaller organizations. The use of intermediary organizations allows Irvine to reach a more diverse group of grantee organizations and, as a result, more effectively advance our goals.

Irvine's original grants to these intermediary organizations might have been awarded in a previous year. We present in this section regranting of Irvine dollars that took place in 2006. Regranting totals for each intermediary organization have been rounded to the nearest \$1,000.

ALLIANCE FOR CALIFORNIA

TRADITIONAL ARTS

\$72,500

Agua Caliente Museum
Association for the Advancement of Filipino
American Arts & Culture (FilAm ARTS)
California Association for Music Education
Center for Bridging Communities
City of San Fernando
Ke Po'okela Cultural Foundation
Pacific Islander Cultural Center
San Jose Museum of Quilts and Textiles
Teatro de la Tierra
World Beat Center
Yuval Ron Music

ALLIANCE OF ARTISTS COMMUNITIES

\$227,830

18th Street Arts Center
Djerassi Resident Artists Program
Exploratorium
Headlands Center for the Arts
Kala Art Institute
Montalvo Arts Center

AMERICAN COMPOSERS FORUM

\$2,300

Left Coast Chamber Ensemble
San Francisco Tape Music Festival

ASIAN PACIFIC AMERICAN LEGAL CENTER

\$128,500

Center for Asian Americans United for
Self Empowerment
Filipino American Service Group
Khmer Girls in Action
Korean American Coalition-Los Angeles
Korean Resource Center
Organization of Chinese Americans
Search to Involve Pilipino Americans
South Asian Network

CATHOLIC CHARITIES OF SAN JOSE

\$145,612

Arte Flamenco
Ballet Folklorico
CLAP
Fun Math
Girl Scouts
Tech Challenge
Kidsportz
MACLA
San Jose Multicultural Artist Guild
San Jose Museum of Art
Schmal Science
Tapestry Arts
The First Tee of San Jose

THE COMMUNITY FOUNDATION

\$90,000

Broadway High Children's Theatre Arts
Academy
Cathedral City Public Arts Commission
Coachella Valley Symphony
Dorland Mountain Arts Colony
Golden Valley Music Society
Indio Performing Arts Center
Inland Valley Symphony
La Quinta Playhouse
Mexican Cultural Institute
Murrieta Repertory Theatre
Musicians Workshop
Scrap Gallery
Temecula Valley Art League
The Steinway Society
Virginia Waring International Piano
Competition

THE COMMUNITY FOUNDATION
OF MENDOCINO COUNTY

\$56,400

Anderson Valley School District
Mendocino College Library
Partners Gallery

COMMUNITY FOUNDATION
FOR MONTEREY COUNTY

\$59,800

Alisal Center for the Fine Arts
Arts Council for Monterey County
Big Sur Arts Initiative
California State University, Monterey Bay
Camerata Singers
Carmel Bach Festival
Dixieland Monterey
Monterey Bay Symphony Association
Monterey Bay Women's Caucus for Art
Monterey County Symphony
Monterey Jazz Festival
Monterey Museum of Art
National Steinbeck Center
Pacific Grove Art Center
Pacific Repertory Theatre
SpectorDance
Youth Arts Collective
Youth Music Monterey

COMMUNITY FOUNDATION
OF SONOMA COUNTY

\$49,855

Arts Council of Sonoma County
Sonoma State University

COMMUNITY FOUNDATION
OF THE NAPA VALLEY

\$59,094

Angwin Community Teen Center
Big Brothers Big Sisters of Marin and
Napa Counties
Boys & Girls Club of Napa Valley
Boys & Girls Clubs of St. Helena and
Calistoga
Calistoga Family Center
Community Presbyterian Church
Legal Aid of Napa
Napa Valley Cinco de Mayo
Napa Valley Economic Development Corp.
Napa Valley Heritage Fund
North Bay Sponsoring Committee
Our Lady of Perpetual Help Catholic Church
Pop Warner Little Scholars Inc – American
Canyon Patriots
St. Helena Family Center
St. Helena High Ag Boosters
St. Helena Hospital Foundation
Summer Search Foundation Napa-Sonoma
The After School of Rock
Tucker Farm Center

CULTURAL COUNCIL
OF SANTA CRUZ COUNTY

\$33,710

Dante Alighieri Society of Santa Cruz
Esperanza Del Valle
Japanese Cultural Fair
Mountain Parks Foundation
Santa Cruz Indian Council
Watsonville Taiko Group

KERN COUNTY
COMMUNITY FOUNDATION

\$50,000

Bakersfield Association for Retarded Citizens
Boys & Girls Clubs of Kern County
CSU Bakersfield Foundation
Girl Scouts - Joshua Tree Council
Junior Achievement of Bakersfield
Probation Auxilliary of Kern/Take Away
Tatoos Program

MDRC

\$738,779

American River College
College of Alameda
De Anza College
Merced College
Mount San Antonio College
Pasadena City College
Santa Ana College
Taft College
Victor Valley Community College

NEW VISION PARTNERS

\$251,000

BRITE
Hathaway-Sycamores
NUFC
YWCA

ORANGE COUNTY
COMMUNITY FOUNDATION

\$100,450

Anaheim Ballet
Children's Museum of La Habra
Ektaa Center
Festival Ballet Theatre
Huntington Beach Arts Center
Irvine Barclay Theater
Laguna Art Museum
North County Community Concerts
Association
Orange County High School of the Arts
Foundation
Orange County Museum of Art
Orange County Women's Chorus
Pacific Chorale
Shakespeare Orange County
Stop-Gap
The Chance Theatre

PLACER COMMUNITY FOUNDATION

\$28,750

Arts Council of Placer County
Nonprofit Resource Center
Arts Council of Placer County
Auburn Placer Performing Arts Center
Lincoln Arts & Culture Foundation
Music Talk
South Placer Heritage Foundation
Magic Circle Theatre

POETS & WRITERS

\$56,000

African American Writers & Artists
Alameda County Library Juvenile Hall
All For You Community Youth Service
Amp Press
Arcade Poetry Project
Art Foundry Gallery
Arte Americas
Benicia Public Library
Bottled Poetry
California Lectures
California Rodeo Salinas
California Writers Club
Campbell Branch Library
Casa Romantica
Center for the Art of Translation
Central California Writers
Centro Cultural de la Raza
Citrus College
College of the Sequoias
Cowboy Cultural Committee
CSU Long Beach

CSU Sacramento
dA Center for the Arts
Found Theatre
Fresno Poets' Association
Friends of AK Press
Friends of Coast Community Library
Friends of the Memorial Library
Friends of the Sunland-Tujunga
Branch Library
Frontier Pack Train
Fullerton College
Galeria de la Raza
Gneiss Poetry Series
Gold Rush Writers
Grossmont College
Headquarters for the Arts
Henry Miller Library
Heyday Books
Highways Performance Space
Hodges Community Center
Holy Family Catholic Church
Intercultural Community Center
Kearny Street Workshop
Lake County Arts Council
Levantine Cultural Center
Literature Alive!
Los Angeles Poetry Festival
Manic D Press
Marin Poetry Center
Mendocino College Library
Miramar College
Modesto Junior College
Monterey Cowboy Poetry & Music Festival
Moorpark College
Mount Shasta Writers Series
Mountain Oak Productions
Museum of Contemporary Art, Los Angeles
Napa Valley Writers' Conference
National Park Service
Nevada County Library
Nevada County Poetry Series
On the Rock Productions
Oxnard College
Pacific Asia Museum
Palm Springs Desert Museum
Palm Springs Public Library

Pan Valley Institute
Petaluma Poetry Walk
Placencia Library District
Pleasanton Public Library
Poet Laureate Committee of Ukiah
Poetry Center San Jose
Poetry Santa Cruz
Poetry Unplugged
Red Hen Press
Rhythm & Words Poetry Series
Riverside City College
Roseville Public Library
Ruskin Art Club
San Buenaventura Artists' Union
San Carlos Library
San Diego Writers, Ink
San Francisco Jung Institute Library Journal
San Luis Obispo Poetry Festival
Santa Rosa Junior College
Sebastopol Center for the Arts
San Francisco Center for the Book
Sierra Valley Grange
Skyline College
Smell Last Sunday Reading Series
Solana Beach Branch Library
Solo Press
Some Local Poets
Sonoma State University
South Pasadena Public Library
South Placer Heritage Foundation
Southwestern College Reading Series
Tebot Bach
The Beat Museum
The Book Works

The Fort Preservation Society
The Gathering
The Performance Loft
Third Thursday Poets
Tropico de Nopal
UC Berkeley Lunch Poems
UC Davis Arboretum
UC Davis Gneiss Poetry Series at Plaza
Roberge
UC Irvine
UC Santa Cruz Creative Writing
Ululate Productions
University of California, Riverside
University of San Francisco
Villa Aurora
Watershed Poetry Festival
Waverley Writers Group
Westmont College
Whittier College
Will & Ariel Durant Branch Library
Wittman Village Community Center
Writers Read
Zoey's Café Spoken Word Salon

SAN FRANCISCO FOUNDATION
\$64,000

American Composers Forum
Berkeley Richmond Jewish Community
Center
Digital Community Website
Dream Dance Company
MAC Capacity Building

Moving Arts Dance
Pacific Chamber Symphony
Shotgun Players
Theater Bay Area
World Arts West
Youth Speaks

**SHASTA REGIONAL COMMUNITY
FOUNDATION**
\$18,000

Shasta County Arts Council
Shasta Mountain Playhouse
Siskiyou Arts Council
Turtle Bay Exploration Park

**SAN LUIS OBISPO
COMMUNITY FOUNDATION**
\$55,000

Arts Obispo
Atascadero Community Link
Big Brothers Big Sisters
San Luis Obispo Art Center
San Luis Obispo International Film Festival
San Luis Obispo Little Theatre
San Luis Obispo Mozart Festival
San Luis Obispo Symphony

**SILICON VALLEY
COMMUNITY FOUNDATION**
\$113,000

California Youth Symphony
City Lights Performance Group of San Jose
Northside Theatre Company
Palo Alto Art Center Foundation
Palo Alto Chamber Orchestra
Peninsula Women's Chorus
Peninsula Youth Orchestra
Peninsula Youth Theatre
San Jose Children's Musical Theater
San Jose Multicultural Artists Guild
San Jose Museum of Quilts and Textiles
Stanford Jazz Workshop
Triton Museum of Art
Young Audiences of Northern California

TCC GROUP
\$120,000

Oceanside Museum of Art
Opera Pacific
Orange County Museum of Art
Ramona Pageant Association
Redlands Community Music Association
Redlands Symphony Association
Riverside Art Museum
Riverside County Philharmonic
Saint Joseph Ballet
San Bernardino Symphony Orchestra
The Bowers Museum of Cultural Art
The Laguna Playhouse

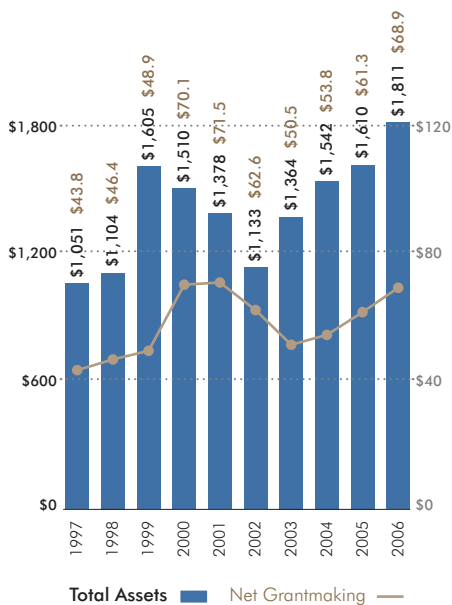
THE WALTER AND ELISE HAAS FUND
\$153,000

American Conservatory Theater
Center for Sex and Culture
Center for the Art of Translation
Circuit Network
Circus Center and Bay Area Video Coalition
CounterPULSE
Dancer's Group
DeafHope
Dimensions Dance Theater
George Mark Children's House
Jewish Music Festival, Berkeley Richmond
Jewish Community Center
Legion of Graduate Students of the
San Francisco Art Institute and
Anthology Film Archives
LifeFlow
Magic Theatre
Musical Traditions/Paul Drescher Ensemble
New Hope Covenant Church
Oakland East Bay Symphony
Oakland Museum of California
ODC Theater
San Francisco Jazz Organization
Southern Exposure

FROM THE CHIEF INVESTMENT OFFICER AND TREASURER

During 2006, the Foundation's endowment earned 15.2 percent to end the year at more than \$1.8 billion, establishing a new all-time high for the endowment. This result was due to strong returns from the equity markets, especially the international equity markets, and from private equity investments held by the Foundation. On the grantmaking side, total grants approved in 2006 were \$68.9 million, up 12.3 percent from the previous year. Graph 1 provides a 10-year history of year-end assets and net grantmaking for the Foundation. We are pleased to report that 2006 marked the fourth consecutive year of recovery for our endowment, an increase in assets that permits us to expand our grantmaking to nonprofit organizations in California by another 9 percent in 2007.

1. TOTAL ASSETS AND GRANTS APPROVED 1997-2006
(in millions)



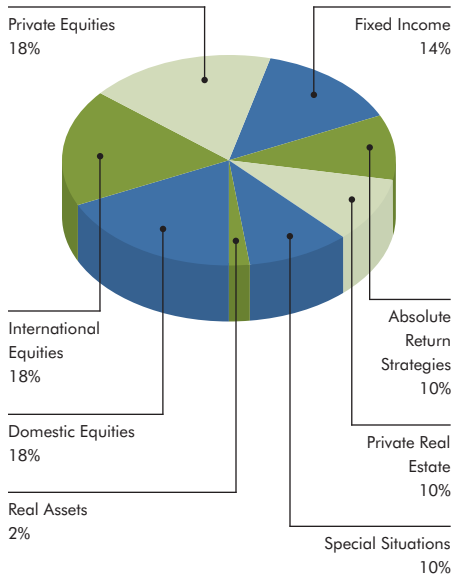
As in previous years, I would like to use this letter to review the Foundation's approach to its investment activities and to focus on some changes we are implementing consistent with a new asset allocation plan described in previous annual reports.

The Foundation maintains a long-term view, with the objective of earning at least 5.5 percent on an annual basis, after inflation and investment fees. Our strategy for achieving this goal is to invest our assets according to a carefully structured allocation model, illustrated in Graph 2, that is designed to reflect the appropriate balance of risk and return over time. The Board of Directors adopted a new asset allocation plan for the Foundation in 2006, and so we focused on beginning the implementation of this more diversified portfolio last year. One critical element to successfully executing this investment strategy is to attract and retain the right people, and during 2006 we added a Director of Investments to the team and intend to add another position this year.

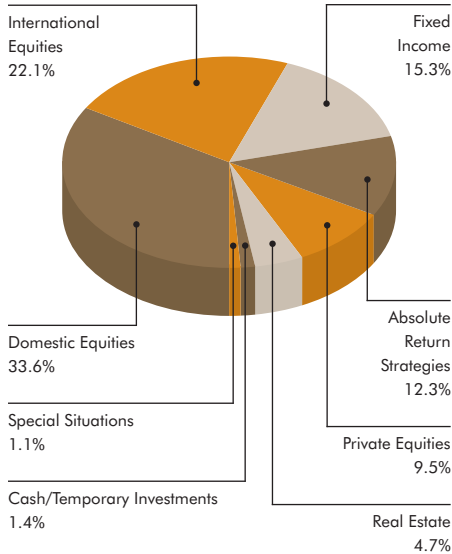
During 2006, we increased our investments in private equity, real assets, special situations, private real estate, and absolute return strategies. This group of investments is commonly referred to as "alternative investments." While the endowment's returns will continue to be driven largely by the global public equity and debt markets, these new asset classes represent meaningful efforts to diversify the endowment's portfolio and produce a more stable earnings stream over time.

As we continue this transition in our asset allocation, however, it's important to recognize that we are not the only investors moving in this direction. Many university endowments and some foundations have already made similar

2. STRATEGIC ASSET ALLOCATION



3. INVESTMENT PORTFOLIO AS OF DECEMBER 31, 2006



transitions. In doing so, they have met the capital needs of many of the best investment management firms in these areas. With many very large investors seeing the value and opportunities in alternative investments, there is considerable competition for the best opportunities in alternative investments. As a consequence, our ability to move resources to these areas is more difficult. We must first identify the best investment opportunities, and then we must gain access. Often the second challenge is more difficult than the first.

Over the Foundation’s long history in private equity markets, we have learned that investing with the most skilled investment managers is critical. We subscribe to that same approach in all of our investments, but it is particularly important for success in the alternative investment area. The end result of this environmental challenge is to slow the pace of transition to our new asset allocation. Graph 3 shows how our assets were invested as of December 31, 2006. While it may take five years to realize the transition fully, we will be patient, knowing that the Foundation and the needs it seeks to address will exist for the long term.

For the period of January through mid-June 2007, the financial markets have performed fairly well but have experienced several significant price declines. This underscores once again why a diversified portfolio is essential to our long-term investment strategy.

While managing the Foundation’s investment program is an exciting and rewarding task, the investment team at Irvine takes special pride in knowing that its work happens for the sole purpose of maximizing Irvine’s financial resources to support our mission of expanding opportunity for the people of California. These annual updates seek to describe our progress in this regard, to share recent developments in our investment program, and to continue to demonstrate our commitment to transparency in all aspects of the Foundation’s operations.

John R. Jenks, CFA
 Chief Investment Officer and Treasurer
 July 2007

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying statements of financial position of The James Irvine Foundation (the "Foundation") as of December 31, 2006 and 2005, and the related statements of activities and changes in net assets and of cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of the Foundation as of December 31, 2006 and 2005, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

As discussed in Note 2, the financial statements include investments valued at \$525,851,740 (30% of net assets) and \$335,381,937 (21% of net assets) as of December 31, 2006 and 2005, respectively, whose fair values have been estimated by management in the absence of readily determinable fair values. Management's estimates are based on information provided by the fund managers or the general partners.

Deloitte + Touche LLP

June 4, 2007

San Francisco

California

STATEMENTS OF FINANCIAL POSITION

As of December 31, 2006 and 2005

	2006	2005
ASSETS		
Cash – Interest-bearing deposits	\$ 21,748	\$ 21,572
Receivable from Sales of Securities	892,312	1,886,135
Interest and Dividends Receivable	4,150,349	3,670,236
Investments:		
Short-term, fixed-income	60,299,714	54,597,374
Equity securities	963,077,383	945,977,402
Alternative investments	525,851,740	335,381,937
Fixed-income securities	253,376,931	266,868,948
Total investments	1,802,605,768	1,602,825,661
Property and Equipment – Net	1,112,001	1,216,435
Other Assets	2,074,340	860,281
Total	\$ 1,810,856,518	\$ 1,610,480,320
LIABILITIES AND NET ASSETS		
Liabilities:		
Payable for purchases of securities	\$ 2,512,309	\$ 1,771,861
Accounts payable and other accrued liabilities	3,495,478	5,162,784
Deferred federal excise taxes	6,568,056	4,663,170
Grants payable – net	46,552,975	24,953,794
Total liabilities	59,128,818	36,551,609
Net Assets – Unrestricted	1,751,727,700	1,573,928,711
Total	\$ 1,810,856,518	\$ 1,610,480,320

See notes to financial statements.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

For the years ended December 31, 2006 and 2005

	2006	2005
Investment Income:		
Interest	\$ 15,168,215	\$ 13,230,921
Dividends	20,004,957	18,709,422
Operating gains from alternative investments	785,716	485,018
Fee income	356,873	396,128
Investment income before net realized and unrealized gains on investments	36,315,761	32,821,489
Net realized and unrealized gains on investments	225,618,140	124,331,553
Total investment income	261,933,901	157,153,042
Investment Expenses	8,007,723	8,260,726
Net Investment Gain Before Excise and Income Taxes	253,926,178	148,892,316
Excise and Income Taxes	3,579,520	2,601,988
Net Investment Income	250,346,658	146,290,328
Expenses:		
Grants approved by the board of directors	68,860,108	61,329,247
Conditional grant activity and other – net	(2,067,287)	(887,074)
Grant expense – net	66,792,821	60,442,173
Program administration expenses	5,754,848	6,691,707
Total expenses	72,547,669	67,133,880
Change in Net Assets – Unrestricted before cumulative effect of change		
in accounting for deferred federal excise taxes	177,798,989	79,156,448
Cumulative effect of change in accounting for deferred federal excise taxes	–	(5,720,770)
Change in Net Assets – Unrestricted	177,798,989	73,435,678
Net Assets – Unrestricted:		
Beginning of year	1,573,928,711	1,500,493,033
End of year	\$ 1,751,727,700	\$ 1,573,928,711

See notes to financial statements.

STATEMENTS OF CASH FLOWS

For the years ended December 31, 2006 and 2005

	2006	2005
Cash Flows from Operating Activities:		
Change in net assets—unrestricted	\$ 177,798,989	\$ 73,435,678
Adjustments to reconcile change in net assets—unrestricted to net cash and cash equivalents used in operating activities:		
Cumulative effect of change in accounting principle for deferred federal excise taxes	-	5,720,770
Depreciation and amortization	181,195	346,144
Property and equipment write-offs	2,200	429,851
Net realized and unrealized gains on investments	(225,618,140)	(124,331,553)
Operating gain from alternative investments	(785,716)	(485,018)
Changes in operating assets and liabilities:		
Interest and dividends receivable	(480,113)	(111,405)
Other assets	(1,214,059)	(493,961)
Accounts payable and other accrued liabilities	(1,667,306)	2,605,164
Deferred federal excise taxes	1,904,886	(1,057,600)
Grants payable	21,599,181	(12,935,914)
Net cash and cash equivalents used in operating activities	(28,278,883)	(56,877,844)
Cash Flows from Investing Activities:		
Purchases of investments	(798,524,789)	(777,096,172)
Proceeds from sales, maturities, and distributions from investments	832,585,150	854,070,009
Purchases of property and equipment	(78,962)	(878,928)
Net cash and cash equivalents provided by investing activities	33,981,399	76,094,909
Increase in Cash and Cash Equivalents	5,702,516	19,217,065
Cash and Cash Equivalents—Beginning of year	54,618,946	35,401,881
Cash and Cash Equivalents—End of year	\$ 60,321,462	\$ 54,618,946
Supplemental Disclosure of Cash Flow		
Information—Federal excise taxes paid	\$ 3,289,165	\$ 1,764,588

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

As of and for the years ended December 31, 2006 and 2005

NOTE 1. ORGANIZATION

The James Irvine Foundation (the “Foundation”) is a private foundation dedicated to expanding opportunity for the people of California to participate in a vibrant, successful, and inclusive society. The Foundation’s grantmaking is organized around three program areas: Arts, Youth, and California Perspectives, which focuses on increasing public understanding of critical issues facing the state and infusing new ideas into the policy development process.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation—The accompanying financial statements are presented on the basis of unrestricted, temporarily restricted, and permanently restricted net assets. At December 31, 2006 and 2005, the Foundation had no temporarily or permanently restricted net assets.

Cash and Cash Equivalents—Cash and cash equivalents consist of cash and short-term, fixed-income investments with maturities of three months or less at date of purchase at December 31, 2006 and 2005, are as follows:

	2006	2005
Cash – interest-bearing deposits	\$ 21,748	\$ 21,572
Short-term, fixed-income investments	60,299,714	54,597,374
Total	<u>\$ 60,321,462</u>	<u>\$ 54,618,946</u>

Investments—Investments are stated at quoted market prices or estimated fair values, which are based on independent valuations. Investment expenses include investment management fees, custodial fees, and an allocation of the Foundation’s operating expenses. The Foundation maintains the following categories of investments:

- Short-term, fixed income investments include commercial paper, demand notes, foreign currency, and corporate and government bonds. For the statement of cash flows presentation purposes, these securities are considered to be cash equivalents as such securities have original maturities of three months or less.
- Equity securities primarily consist of investments in both domestic and foreign corporate common stock securities.
- Alternative investments represent investments in limited partnerships, hedge funds, and other nonpublic investments. The fair values of alternative investments estimated by management are based on information provided by the fund managers or general partners.
- Fixed-income securities include holdings in corporate and municipal bonds, as well as U.S. government securities, various mortgage and asset-backed bonds, and convertible corporate debentures.

NOTES TO FINANCIAL STATEMENTS

As of and for the years ended December 31, 2006 and 2005

Property and Equipment—Property and equipment is stated at cost and depreciated using the straight-line method over estimated useful lives of the assets ranging from 3 to 10 years. Leasehold improvements are amortized over the lesser of the asset’s useful life or the lease term.

Fee Income—A securities lending program is managed by the Foundation’s investment custodian. This program permits the custodian to loan certain of the Foundation’s stocks and bonds included in its investment portfolio. The Foundation’s investment custodian has indemnified the Foundation against the counterparty risk and the Foundation receives a fee related to securities loaned under the program.

Grants—Grants are expensed when the unconditional promise to give is approved by the board of directors. Conditional promises to give, consisting primarily of grants with matching requirements, are recognized as grant expense in the period in which the recipient meets the terms of the condition. Such conditions may also include other requirements, such as the requirement for a newly formed organization to successfully establish its 501(c)(3) status before the grant becomes unconditional. Grant refunds are recorded as a reduction of grant expense at the time the Foundation becomes aware the grant will be refunded.

Functional Expense Allocations—Expenses, such as salaries and payroll taxes, travel and meeting expense, depreciation and amortization, and rent, are allocated among investment expenses and program administration expenses based on employee ratios and estimates made by the Foundation’s management.

Pension Plan—The Foundation provides a defined contribution pension plan for all its employees. The plan is funded by the Foundation and maintained by an independent trustee. Contributions to the plan were approximately \$698,000 and \$607,000 in 2006 and 2005, respectively.

Effective April 1, 2006, the The James Irvine Foundation adopted a deferred compensation plan for a select group of highly compensated or management employees under Internal Revenue Code Section 457(b). Subject to statutory limits, the Foundation contributes to the plan on behalf of eligible employees that did not receive their full contribution to the James Irvine Foundation Money Purchase Plan due to the IRS limits covering that plan. In addition, employees with an annual base salary of \$150,000 or above are eligible to make voluntary contributions.

NOTES TO FINANCIAL STATEMENTS

As of and for the years ended December 31, 2006 and 2005

Estimated Fair Value of Financial Instruments—The carrying amounts of cash, receivable from sales of securities, interest and dividends receivable, accounts payable and other accrued liabilities, and payable for purchases of securities approximate fair value because of the short maturity of these financial instruments. Investments are held at estimated fair value. The alternative investments represent investments in limited partnerships, hedge funds, and other nonpublic investments, which include nonmarketable and restricted investment securities whose values have been estimated by the general partner of the limited partnership or the managing member of the corporation in the absence of readily ascertainable market values. Because of the inherent uncertainty of valuation of nonmarketable and restricted investments, those estimated values may differ significantly from the values that would have been used had a ready market for the securities existed, and the differences could be material. The carrying amount of grants payable approximates fair value because such liabilities are recorded at estimated net present value based on anticipated future cash flows.

Concentrations of Credit Risk—Financial instruments, which potentially subject the Foundation to credit risk, consist primarily of cash, cash equivalents, and investments. The Foundation maintains cash and cash equivalents with major financial institutions. At times, such amounts may exceed Federal Deposit Insurance Corporation limits. The Foundation's investments have been placed with high-quality counter parties. The Foundation closely monitors these investments and has not experienced significant credit losses.

Tax Exempt Status—The Foundation is a private foundation and is exempt from federal income taxes under Section 501(c)(3) of the Code and from California franchise and/or income taxes under Section 23701(d) of the Revenue and Taxation Code.

Use of Estimates—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant accounting estimates reflected in the Foundation's financial

NOTES TO FINANCIAL STATEMENTS

As of and for the years ended December 31, 2006 and 2005

statements include the determination of the fair value of investments (including alternative investments), the discount on grants payable, the calculation of federal excise taxes expense, and the functional expense allocation. Actual results could differ from those estimates.

Change in Accounting Policy—In 2005, The Foundation changed its method of accounting for federal excise taxes to include a provision for deferred federal excise taxes. This method was adopted to recognize a preferable method of accounting for federal excise taxes (see Note 6).

NOTE 3. INVESTMENTS

Investments are stated at quoted market prices or estimated fair values, which are based on independent valuations. The net realized and unrealized gains on investments for the years ended December 31, 2006 and 2005, are comprised as follows:

	2006	2005
Net realized gains on investments sold	\$ 128,010,937	\$ 176,442,454
Net unrealized gains (losses) on investments	97,607,203	(52,110,901)
Net realized and unrealized gains on investments	\$ 225,618,140	\$ 124,331,553

The Foundation made capital contributions totaling \$157,141,123 and \$100,748,108 in 2006 and 2005, respectively, to alternative investments as called for by the investment agreements. As of December 31, 2006, the Foundation has commitments under various investment agreements to make additional capital contributions of \$349,155,857.

NOTE 4. PROPERTY AND EQUIPMENT

Property and equipment as of December 31, 2006 and 2005, consists of:

	2006	2005
Office furniture and equipment	\$ 1,097,106	\$ 1,143,595
Leasehold improvements	862,931	862,931
Total	1,960,037	2,006,526
Accumulated depreciation and amortization	(848,036)	(790,091)
Property and equipment—net	\$ 1,112,001	\$ 1,216,435

NOTES TO FINANCIAL STATEMENTS

As of and for the years ended December 31, 2006 and 2005

NOTE 5. GRANTS

The following table summarizes for the years ended December 31, 2006 and 2005, the Foundation's grant activity:

	2006	2005
Grants approved by the board of directors	\$ 68,860,108	\$ 61,329,247
Add (deduct):		
Conditional grants made	(4,435,000)	(1,416,500)
Conditions met on conditional grants made in prior years	2,420,664	175,000
Recision of conditional grants	-	100,000
Change in discounts on multiyear grants—net	(298,401)	9,590
Matching gifts program	245,450	244,836
Conditional grant activity and other—net	(2,067,287)	(887,074)
Grant expense—net	\$ 66,792,821	\$ 60,442,173

Future minimum grant disbursements as of December 31, 2006, are scheduled as follows:

	Unconditional	Conditional
2007	\$ 38,874,114	\$ 2,597,500
2008	8,109,800	2,000,000
2009	198,000	-
Total	47,181,914	4,597,500
Less discounts on multiyear grants	(628,939)	-
Grants payable—net	\$ 46,552,975	\$ 4,597,500

NOTE 6. EXCISE TAXES

In accordance with the applicable provisions of the Code, the Foundation is subject to an excise tax of 2% (1% if minimum payout requirements prescribed by the Code are met) on its net investment income, excluding unrealized gains, as defined, and is subject to corporate income tax rates on unrelated business income. The Foundation was subject to the 2% rate in 2006 and 1% rate in 2005. In addition, the Code requires that certain minimum distributions be made in accordance with a specified formula. At December 31, 2006 and 2005, the Foundation had made the required minimum distributions.

NOTES TO FINANCIAL STATEMENTS

As of and for the years ended December 31, 2006 and 2005

Deferred excise taxes arise primarily from unrealized gains on investments. At December 31, 2006, deferred federal excise tax is estimated at 2%, which is the maximum rate payable.

The provision for current and deferred federal excise and income taxes for the year ended December 31, 2006 and 2005, is as follows:

	2006	2005
Current	\$ 1,674,634	\$ 3,659,588
Deferred	1,904,886	(1,057,600)
Excise and income tax expense	<u>\$ 3,579,520</u>	<u>\$ 2,601,988</u>

As of January 1, 2005, the Foundation changed its method of accounting for federal excise taxes to include a provision for deferred federal excise taxes. This method was adopted as a more conservative presentation of the Foundation's available resources. The cumulative effect of the change in accounting is a decrease in net assets of \$5,720,770 as of January 1, 2005.

NOTE 7. LEASE COMMITMENTS

The Foundation leases its facilities under long-term noncancelable operating leases.

Approximate future minimum lease payments, subject to adjustments based on changes in real property taxes and maintenance expenses, are as follows as of December 31, 2006:

Year Ending December 31	Total
2007	\$ 408,825
2008	408,825
2009	387,845
2010	358,473
2011	358,473
Thereafter	1,194,910
Total	<u>\$ 3,117,351</u>

Rental expense was approximately \$447,000 and \$910,000 in 2006 and 2005, respectively.

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Expanding Opportunity for the People of California

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